THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

The Canadian Newspaper for Businessmen and Investors

Vol. XXXV — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, MAY 24, 1941 — 10c a Copy; $5.00 a Year — No. 21

Be Sure to Read

U S In War Now—Whaley 9
Eleven Mines in Making . . 15
War's Effect on Farming 7
Famous Players Fracas . . 4

The Nation's Business

Ottawa's Policies In Conflict

Prime Minister King should call a conference of the ministers and deputy ministers of Finance and of Labor. Policies of the two departments seem to be in direct conflict.

The Minister of Finance makes it clear that in meeting the burdens of war there must be equality of sacrifice. He makes it clear, too, that one of the purposes of tax and loan policy is to prevent rising civilian consumption from interfering with the supply of war materials.

The Department of Labor, on the other hand, seems to have adopted as its policy that the basic standard of living of Canadian workers shall be maintained without impairment by war sacrifice.

* * *

An example of the Labor Department's view is at hand. In the employees' brief to the conciliation board dealing with railway wages it is set forth that the employees held a conference with the Deputy Minister of Labor last December. At that conference the deputy suggested a policy of freezing wage rates with a provision that employees would be protected against any significant change rise in the cost of the necessities of life, through a cost of living bonus.

The railways themselves were not represented at that conference. The obvious conclusion then is that even before a conciliation board had been appointed to deal with the matter of granting a cost of living bonus to railway workers, the Government itself had given a virtual promise to the employees of such a bonus.

If the Labor Department's policy is to ensure that workers in Canada shall not be called upon to bear any share of the burden of sacrifice in this war, then that policy is directly in conflict with the policy of the Department of Finance which feels that the war can be paid for only by asking some measure of sacrifice of everyone.

* * *

Much hinges, of course, upon the interpretation of the phrase "basic standard of living." There are workers in some trades and some areas whose average earnings, even under war conditions, are insufficient to enable them to absorb any increase in the cost of living without social injustice. In such cases, where wages are far below the 1926-1929 level, and where employers are now enjoying a sufficiently increased volume of business to enable them to pay a cost of living bonus, then sucha bonus would be just.

But the cost of living bonus cannot be and should not be regarded as mandatory in every case. There are many firms whose business has been adversely affected by the war and who simply cannot absorb any increase in their wage bills.

There are cases where the scale of wages is already very high —the railways represent such a case—and where a demand for a cost of living bonus to be applied to highly paid workers as well as those on the lower scales would be an injustice to the other citizens of Canada who would have to pay it out of their own reduced incomes.

And it should be repeated from time to time by Ottawa that it is not the intention of the Government, in its wartime labor policy, that cost of living bonuses should be paid to cover expenses due to increased taxes.

* * *

The cost of living bonus, properly applied, can be very useful in ensuring that workers shall not be deprived of the necessities of life by reason of wartime increases in cost. But to use it as an instrument for raising all wages would be to defeat the national objective of financing the war—a non-inflationary war.

Right now the political policies of the Department of Labor in encouraging wage increases and cost of living bonuses for all classes of workers, from the most poorly paid to the aristocrats of labor, threaten to touch off a spiral of inflation. Mr. Ilsley cannot view this prospect with equanimity. It would be utterly ruinous to his generally well conceived war finance policies.

* * *

QUEBEC LEGISLATORS SET BAD EXAMPLE

Quebec's boost of the sessional indemnity for members of the Legislative Assembly is untimely.

It is hard to reconcile this with the Godbout Government's pledge to render all possible aid to the Dominion in war and rehabilitate the province's finances.

If the legislators regard the increase as a "cost-of-living" bonus, Ottawa is placed in a predicament by their example. Were labor also to demand a 20% increase in wages, the effects would be ruinous to Canada's war finance programme.

By raising indemnities from $2,500 to $3,000 the Government has added $55,000 annually to the cost of government. In relation to total government outlay and the contingent liability being assumed under the Beauharnois expropriation measure, the expenditure is small.

But it is symptomatic. It is a noteworthy example of provincial extravagance.

There is no justification for members giving themselves this plum in wartime. Its spirit will not aid in the rehabilitation of Quebec's credit.

* * *

INJUSTICES THAT SHOULD BE REMEDIED

One of the cardinal principles of taxation is that the levy should be easily collectible. Most taxes that are complicated and difficult get that way because simple justice has required them to be surrounded with safeguards and exceptions.

Tax collectors naturally abhor these complicating factors. One can see their dislike in the attitude of the Minister of Finance on two matters now before Parliament.

The first is the tax of 15 per cent on Canadian income of non-residents. The major dispute there is as to whether or not it is expedient or just for Canadians to tax non-resident holders of Canadian securities, particularly those of the provinces which are put in an unfortunate position because the holders of their bonds—if payable in Canadian funds—are taxed while the holders of Dominion bonds are not.

But there is a further gross injustice in this tax which does not permit of dispute. The tax is on the gross income received by non-residents without deduction for any expenses incurred in Canada in earning that income. Thus, if an American owns a house or other building here, he pays the 15 per cent tax on the gross rentals and is allowed nothing for property taxes, maintenance, repairs, etc. Every property-owner knows that the difference between gross and net income from rentals is sometimes as high as 100 per cent. Yet Ottawa, to make the tax collection easy refuses to permit legitimate deductions.

The Minister of Finance is equally stubborn in refusing Canadian foster-parents of British war guests the usual $400 exemption for dependent children. The only exception is in the case of children brought out under the official scheme. Mr. Ilsley's contention is that this is private charity, but it is likely that Ottawa desires to avoid being bothered with exemption claims.

Looking after war guests may be private charity but it is charity undertaken by the Canadian people to aid our fellow-countrymen who are fighting our battle overseas. The distinction between taking an English child under the official scheme and taking it under some other arrangement is a distinction without a difference.

Mr. Ilsley should remedy both of these injustices even if it makes more work for the taxing authorities.

Dosco Plans Extensions At Sydney

To Rehabilitate 110-in. Plate Mill and Add Open Hearth Furnace – Aid Ship Programme

From Our Own Correspondent

MONTREAL.—Announcement by Hon. C. D. Howe, Minister of Munitions and Supply, that important additions are to be made to the Sydney, N.S., plants of Dominion Steel & Coal Corp. had its start in the growing need for steel plate in Canada's shipbuilding programme.

Work is to start at once on a two stage programme of expansion at Sydney.

The existing plate mill, built toward the end of the last war and unused for many years, is to be rehabilitated and placed in operation.

To supply this mill with the required steel ingots, a new open hearth furnace is to be built.

Roll 180,000 Tons

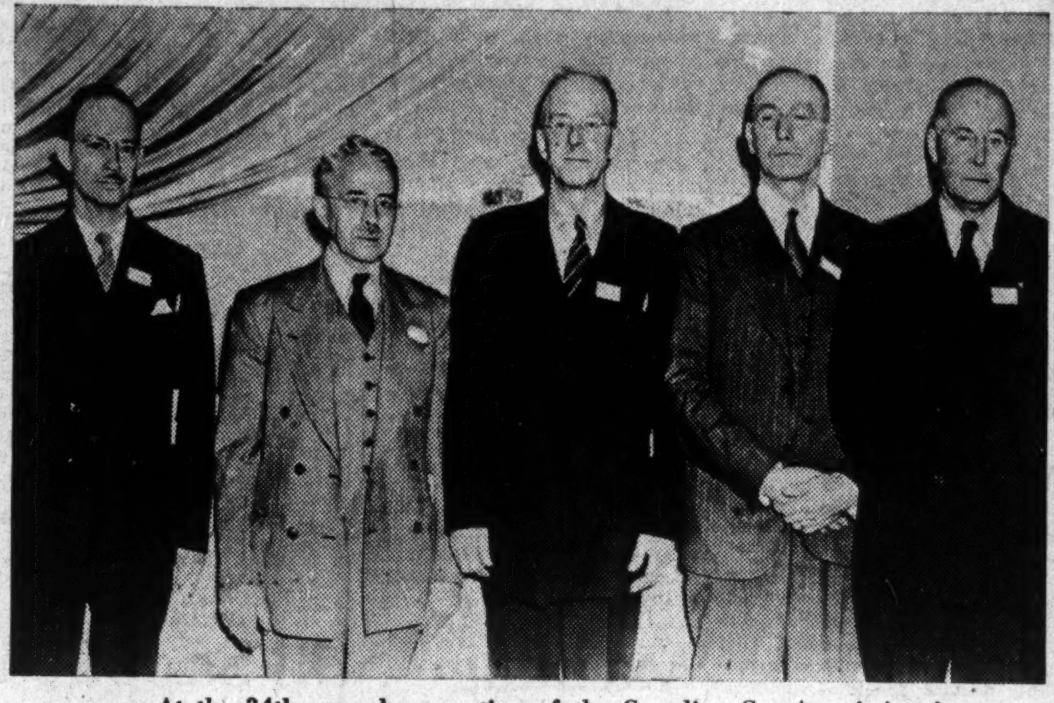
The whole programme is estimated to cost somewhere in the neighborhood of $4,750,000 and to take approximately 12 months to complete. Capacity of the plate mill, which can roll steel plates up to 110 in. wide, would be about 180,000 tons a year. For the present, however, it is only planned to operate the mill on a single shift basis which would enable it to turn out somewhere between 50,000 and 60,000 tons of steel plates annually.

The company has already in operation steel making capacity in excess of its rolling mill capacity, but the steel ingots not required in its own operations have been shipped to the United Kingdom, a market which Dosco has served for many years and where the need is urgent. The company has sufficient blast furnace capacity to handle the added steel requirements which will result from the new plate mill.

Use More Scrap

Since completion of two additional blast furnaces in 1939, Dosco has had a well-balanced division between use of pig iron and scrap in its open hearth furnaces, using about 70% pig iron and 30% scrap. Now it will be necessary to make some adjustments in this proportion, using more scrap iron. This will permit adequate supplies for existing steel making capacity as well as the new furnace. It can be done, The Financial Post is told, without any difficulty and without

(Continued on page 2, col. 5)



At the 34th annual convention of the Canadian Gas Association in Hamilton this week, W. J. Pead, left, chief engineer of Montreal Light Heat & Power's gas department, and a director of Montreal Coke & Manufacturing Co., was elected president of the Association for the coming year. Retiring president is J. B. McNary, second left, of the Canadian Meter Co., Hamilton. Continuing as secretary and editor of the Association's journal is George W. Allen, centre, of Toronto. J. D. Von Maur, distribution engineer for Consumers' Gas Co. of Toronto, second from right, will act as chairman of the papers committee of the Association. Also active in the Association is Julian Garrett, right, general manager of Northwestern Utilities which serves Edmonton and other Alberta points with natural gas.

St. Lawrence Waterway Comes Back to Life

From Our Own Correspondent

OTTAWA. — The St. Lawrence seaway scheme, thought to be sidetracked until at least next fall, has suddenly come to life. It may be dealt with in the House in a matter of weeks rather than months.

Under ordinary circumstances the business before the House would be completed in the next week or two, and almost certainly before the middle of June.

This week Prime Minister King announced the House would adjourn and not prorogue when the business of the present session ends. He added the St. Lawrence agreement might come up for ratification before the summer ended and the Government wanted Parliament in a position to deal with it.

On the same day the Roosevelt Administration moved to implement the seaway agreement with Canada. Chairman of the House of Representatives Rivers and Harbors Committee announced he would introduce, "probably within a week," a bill to approve the agreement and authorize the expenditure. Only a simple majority is needed in Congress.

Dispatches from Washington forecast considerable opposition to the measure. On the other hand opinion in some quarters here is that the opposition may not be as strong as indicated.

There is the possibility the waterways agreement may be ready for Parliament to pass upon it before the end of June or early in July.

Opposition will be chiefly on grounds of the statement made by Premier King recently that the St. Lawrence waterway could only be justified at this time as a war measure.

President Roosevelt is expected to emphasize the part the seaway could play in the general defense programme, providing increased power development and easy access to the midwest for ocean-going vessels.

There is a fairly broad feeling that the financial burden imposed upon Canada by the war effort does not warrant such a large capital expenditure.

Outside the Montreal area there is little or no organized opposition to the project. The stand of Quebec and Ontario is already known, while in the Maritimes, the Prairies and on the Coast, the St. Lawrence waterways does not rank as a major issue.

Who Hold Cards For Kerr Meet

What will be the result of the Kerr-Addison Gold Mines annual meeting on May 31? Will the proposed new board of directors, including J. Y. Murdoch, Noranda president, get in, or will George B. Webster, the present president, be returned to office?

A large part of the result will depend on the way a few large ballots are cast. Outstanding capital is 4,730,301 shares. Here are big shareholders expected to play a key part as shown by the Kerr-Addison share ledger on May 9.

Shareholder	No. Shares
Noranda Mines	573,750
Anglo-Huronian	343,779
Bay & Co. No. 1 a/c	248,661
F. O'Hearn & Co.	135,977
Mining Corp.	112,500
G. B. Webster	60,001
Roytor & Co.	54,066
J. H. Rattray	51,673
Argus Interests	25,700
J. Y. Murdoch	15,000
Paul A. Fisher	13,100
Quebec Gold	10,000

Proprietary Mines is the holder of a large block of 1,011,875 shares, but a proxy is not expected to be cast as any proxy's validity might be questioned,

Coal Miner Slowdown Hits War Industry

John L. Lewis Union Feud Creates Serious Problem, Causes Enormous Drain on Foreign Exchange—Coal Imports From U. S. $90 Millions

From Our Own Correspondent

OTTAWA.—Sabotage of production in the Nova Scotia coal fields, through unauthorized strikes and a "slow-up" campaign which threatens to cut production by 50%, has helped create a pressing fuel situation in central Canada and the Maritime Provinces for 1941.

Here are the highlights of the situation as it now stands:

There will be no Nova Scotia coal available in the Ontario market either this year or for the duration of the war.

Some parts of Quebec will be unable to secure their usual supplies of Maritime coal.

Domestic coke distribution will be curtailed in Toronto, Montreal, Hamilton, Ottawa and other central Canada centres in order to meet the urgent demands of war industries.

During April, 90,000 tons of Nova Scotia coal were "lost." This was coal that could have been produced but was not produced because of activities of malcontents in the coal mining areas.

There will be no Dominion subvention this year on the rail movement of coal from the Maritimes to central Canada.

Some $90 millions in U. S. funds will be required to finance Canada's coal imports from the States this year.

Welsh coal imports will be limited.

Coal prices for the 1941-42 season will be higher.

There will be enough coal to meet requirements, though shortages of some particular types is a distinct possibility.

Wartime demands for shipping and industry have boosted normal coal requirements to unusually high levels. This, in itself, would create a problem in adjusting supply and demand. The problem this year, however, is overly complicated.

Nova Scotia production has not kept pace with the demand.

Bunkering at Maritime ports this year will require 800,000 tons. This is coal for shipping, convoying work, etc. The quantity is more than double peacetime.

The Sydney plant of Dominion Steel and Coal Corp. will use an estimated 1,250,000 tons in 1941 compared with normal requirements of 600,000 tons.

Maritime pulp and paper mills have stepped up their coal consumption, due to increased operations, by 50%.

The railways normally depend

(Continued on page 2, col. 7)

Health Visits To U. S. Again Curtailed

Drastic steps have been taken to curb the drain on U.S. dollars through health visits of Canadians to the United States. Following negotiations with the Canadian Medical Association, a new ruling has been made by the Foreign Exchange Control Board.

Hereafter, only in exceptional cases will it be possible for citizens of the Dominion to go to the U.S. for medical treatment.

The F.E.C.B. has apparently accepted the claim of the Canadian Medical Association that almost without exception Canadian citizens are assured of the best possible medical care in Canada. In regard to climate, however, no special claims are made. It is understood that, for some cases, the drier or warmer air of the southern states is admittedly more beneficial than anything that Canada can offer at certain seasons.

Transfer Responsibility

Until recently the person desiring to go to the U.S. for reasons of health, made application through his own doctor, who then had the responsibility of authorizing the trip.

If this authorization were not given, doctors complained they might lose a patient; and that patients might shop around until a more manageable doctor was found.

Now Up to Ottawa

Under the new system the patient applies directly through his bank to the F.E.C.B. In this application must be cited reason for wanting to leave Canada; also name and address of

(Continued on page 2, col. 3)

Construction Licensing Plans

From Our Own Correspondent

OTTAWA.—Restriction in the consumption of materials for civilian use, especially where purchase of such materials involves an expenditure in U. S. dollars, is embodied in an order-in-council which makes it necessary to secure a permit for erection or extension of plants, installation of equipment, construction or repair of buildings.

It does not apply to building repairs not exceeding $2,500; installation of equipment the installed cost of which does not exceed $5,000; and for new buildings the cost of which is not over $10,000.

Nor does it apply to buildings and machinery for use in primary industries—farming, logging, mining and fishing — or to dwelling houses which come within the price limit mentioned.

Control of the licensing comes under R. C. Berkinshaw, director general of the Priorities Branch of the Department of Munitions and Supply.

Will Check All

While no definite procedure has yet been developed, the present intention is that applications from all parts of the country will funnel into the Ottawa office of the Priorities Branch.

In this way it will be possible to check on new projects and to impose restriction of civilian consumption and conservation of U. S. exchange.

It is the intention to establish branch offices in all key cities. These offices will not issue permits, but will act more as offices of investiga-

(Continued on page 2, col. 4)

The War And Business . . A Weekly Round-up

U. S. is in Now

The big news this week is that the United States is now in the war. P. H. Whaley brings that out in his article on page 9 of this issue. But Mr. Whaley writes with reserve.

Information reaching The Financial Post is almost startling in its revelation of the degree to which necessary naval and military dispositions have been made by the United States to meet the new challenge that has come with electrifying suddenness as a result of the Hitler-Petain agreement of collaboration.

This "collaboration" has paved the way for a southward thrust by Hitler into Spain and Africa and has brought the United States face to face with the possibility that Hitler may seek to occupy all the strategic ports and islands that command the American continent. That the United States is determined to beat Hitler to the gun in any such move may be taken for granted. But U.S. moves will not necessarily be in the direction forecast by present inspired dispatches out of Washington. There is a good deal of masking of potential moves going on.

Something similar has happened in connection with the "convoy" question. While a bitter debate has gone on in respect to convoys, a system more important and helpful than convoys has actually been put into effective operation in the Atlantic patrol.

When and how a declaration of war will come is anybody's guess. The main thing is that Washington's attitude is no longer one of determining how it can help a friend (Great Britain) but of how it can protect American interests directly. The United States is already in an undeclared war against Germany in a sense that did not prevail two weeks ago.

* * *

U. S. Wants Equipment

American war department officials are busy shopping in Ottawa this week. They are making plans to place the first orders of what may in a year amount to $300 millions worth of Canadian war materials and equipment as provided in the recent Hyde Park declaration.

The bulk of this export it is expected will be in metals, shells, rifle cartridges, trucks, universal gun carriers and perhaps anti-aircraft guns. In the naval line corvettes will be a prominent item, but these will be likely bought by Americans for delivery under Lease-Lend to Britain.

* * *

—And Our Metals

Raw metals are expected to loom very largely in war exports of Canada to the United States. The latter, as it turns more and more to war production, is finding itself woefully short. Already steps are under way to curb civilian use of nickel and aluminum and it is believed certain that restriction will be widened. American officials are looking into Canadian aluminum possibilities and it is likely that part of our recently greatly increased capacity will be diverted to U.S. war production.

* * *

Overhaul P.C. 7440?

Most contentious regulation facing Government just now is PC. 7440, the Order-in-Council governing standard of wages and cost of living bonus for workers. Labor does not like it; industry does not like it, each for different reasons. While primarily designed to please labor, the order fails to cover one very important feature, namely, that of strikes especially in war industries. There is talk PC. 7440 is due for an overhauling and if that happens, some attention will be given to controlling disputes which have reached the stage where neither employee nor employer agree on the findings of the conciliation board.

* * *

Industrial Expansion

Extension of the aluminum smelting capacity is only one of major industrial developments which may be expected in Canada over the next year. Co-ordination of industrial war effort as between Canada and the United States calls for establishment or extension of industrial capacity in this country for those goods or materials which Canada is especially qualified to supply. This concentration of effort will mean a capital outlay running into scores of millions. It also means an outlet in the United States for all the war materials we can supply, which, in turn, should ease our U. S. exchange problem.

* * *

Naval Contracts

Six of Canada's nine provinces now have contracts to provide naval armaments despite the fact that some of them are far from the sea. Here is the picture up to the present:

Nova Scotia, gun mountings, gun forgings, naval shells;
New Brunswick, naval gun overhaul, naval projectiles!
Quebec, naval guns (at two plants), gun mountings;
Ontario, naval gun mountings (at three plants); fire control gear, torpedo equipment, nautical instruments;
Alberta, naval guns, gun mountings;
British Columbia, naval guns, depth charges, fire control gear.

* * *

Tobacco Deal

Some uneasiness was caused in Canadian agricultural circles this week by the report that first shipments of American tobacco under Lease Lend arrangements were now on the way to Britain. It was also learned that total of such shipments in the next 12 months is likely to amount to 100 million pounds. This is about 10 million pounds in excess of the average annual pre-war exports from the United States to the United Kingdom. Moreover it is the first real shipment of American tobacco to that market since the war began.

In normal times Canada exports about eight million pounds of tobacco to the U.K. and enjoys a very substantial Empire preference.

What has hit the tobacco trade is the huge accumulation of stocks in Great Britain at the outbreak of war. It was estimated then that the Old Country could go two years without importing another pound. As a result further imports were officially discouraged, and shipping and exchange saved for more vital war requirements.

To meet the new situation both Canada and United States cut down acreage and waited for things to clear. There was some little hope in Canadian circles that perhaps Britain's shortage of American dollars would result in more orders for Canada once buying was resumed. With tobacco going under Lease-Lend, however, that hope seems to have disappeared.

* * *

Farm Hopes Dashed

Canadian farmers have also been following closely general agricultural price rises across the line. Again there has been some hope of advantage to Canada but this seems premature so far as new exports are concerned.

Already arrangements are being discussed to keep Canadian wheat shipments to the United States down to the tiny average of normal years. Moreover U.S. agricultural experts have been in Ottawa recently discussing the general situation with a view towards preparing Canada for any steps that may be taken to stop a sudden flow of farm products over the border. Recent wartime price rises plus the premium on U.S. funds, apparently have threatened to undermine what has hitherto proved a most substantial tariff wall.

* * *

Eye Gulf Isles

Students of Canadian geography have had an easy time of it so far in this war, especially when compared with the almost hopeless jumble of Europe. Recent developments, however, indicate that some changes may be imminent. A break with the Vichy Government of France would almost certainly be followed by Canadian acquisition, temporary or permanent, of the French Islands of St. Pierre and Miquelon, far down the Gulf of St. Lawrence and 10 miles off the coast of Newfoundland.

The gain would be largely strategic, these little bits of land having had no economic importance since prohibition days. They were valuable to France chiefly as bases for fishermen operating off Newfoundland.

* * *

Exports Jump

Canadian exports in April were up almost 50% over a year ago, according to official returns. Extra war demand, of course, was responsible. Principal gains were in automotive equipment, up over $8 millions, and in food stuffs, especially wheat and bacon. Total export was valued at almost $125 millions for the month against $85.6 millions for April, 1940.

* * *

Revise Air Training Costs

Cost of the Air Training Plan has been revised upward, according to Air Minister Power. When first broached it was estimated that the three year scheme from April, 1940 would cost $600 millions of which Canada would pay $350 millions.

Now the total to April, 1943 is expected to be about $824 millions of which Canada's bill will be $531 millions. The United Kingdom will contribute $194 millions and the balance will come from Australia and New Zealand.

Steel Firm Controller Refuses Deal With Union

There was a temporary lull on the labor front during the past week. Labor disquiet arising from union organizing drives and agitation over higher wages brought no serious strike disturbance, apart from the walkout of workers at the Cornwall plant of Canadian Cottons Ltd. This occurred when 50 workers in one department failed to get an expected pay increase.

In the steel industry, centre of trouble in recent weeks, two disputes continued without any new development. Several hundred workers of Peck Rolling Mills Ltd., Montreal subsidiary of Dosco, continued on strike in protest against a conciliation board refusal to increase the basic wage rate of 30.7 cents an hour. Any increase would violate the principles of the 1926-29 wage ceiling set in the Government's wage policy (P.C. 7440), the board ruled.

The conciliation board dealing with the dispute between the National Steel Car Corp. and union adherents in its main Hamilton plant, resumed its sessions briefly late last week. Refusal of the company to accept an interim proposal of the board, led to a strike which the Government ended by taking over control of the plant.

Vote Favors Union

In its interim report, the board recommended a vote to determine if the union was to act for employees in the plant in negotiations with the company. If the vote showed the union to be supported by the majority of the men, the report said, it would be the duty of the company to deal directly with the union in an attempt to settle the dispute without further conciliation hearings.

Last week the board was advised the vote had shown a majority of 1,750 to 550 in favor of having the Steel Workers Organizing Committee represent them. However, E. J. Brunning, Government controller put in charge of the plant, declared he did not choose to recognize the union or deal directly with it until the board had dealt with all the issues in dispute and made its recommendations. With the majority of the board favoring direct negotiation to settle the points at stake, the board adjourned until June 9.

False Pretenses Charged

When the union offered to withdraw the wage and hour demands in the original application for conciliation, Mr. Brunning commented that the application had "apparently been made under false pretenses." The controller said he would abide by any recommendations of the board. The next move appears up to the Minister of Labor, who instructed the board to deal with union recognition and alleged dismissals because of union activity before handling the wage and hour demands.

MEN'S SHOP
FINE APPAREL FOR MEN

Winners All!

We've found that most men who take their sport seriously . . as a means to keeping fit for the extra physical demands of the times . . insist on sport togs that are smart and clean-cut in appearance, made from good quality materials, and designed for action! And this is just the kind of clothing we have at the Men's Shop. Here, amid thoroughly masculine surroundings, the golfer and the swimmer . . the horseman and the tennis player . . can select sportswear expressly designed for their particular sport!

Sports Coats (English and Domestic makes) from 16.50 to 25.00.
English wool flannel, Single and Double-breasted Blazers, 16.50.
English wool flannel Slacks; "Kantabs", 8.50; "Daks", 11.95.
All wool cream Flannels from 6.00 to 11.95.
Knitted wool Pullovers; sleeveless from 3.50 to 10.00; with sleeves from 4.00 to 14.50.
Penguin cloth Windbreakers, 6.95.
Grenfell cloth Windbreakers, 10.95.
Golf Shoes, 7.50 and 11.50.
Tennis Shoes, 1.59 and 2.15.

Free Parking While Shopping

The Men's Shop
at EATON'S - COLLEGE STREET

Company Report

McIntyre Porcupine

Highlights of the annual report of McIntyre Porcupine Mines for the year ended Mar. 31, 1941, are as follows:

Increase in earnings to $4.76 a share from $4.55 a share the previous year following a $642,416 increase in production.

Working capital maintained at $17,807,533—taking securities at market value — compared with $17,950,078 a year previous.

Ore reserves increased in value from $49.3 to $49.5 millions with average grade stepped up from $11.60 to $11.77 a ton.

No. 25 vein opened up on levels from 3,250 to 5,375 ft. with 1,380 ft. of ore developed averaging 0.63 oz. gold per ton.

In spite of the large amount of ore developed in the rich No. 25 vein, no stoping has yet been carried out on it with this ore reserved for the future.

Ben E. Smith, vice-president, states that Belleterre Quebec Mines, in which McIntyre has over a 95% interest, is emerging from the prospect stage and return of the original investment at least is felt assured.

A new lens of ore similar to the No. 25 vein has been discovered on the 4,475-ft. level.

Income and Surplus Account
Years Ended Mar. 31

	1941 $	1940 $
Bullion recovery	9,452,491	8,793,575
Less: Marketing	104,489	101,916
Net production	9,348,002	8,691,659
Less: Min. & develop.	3,761,048	3,809,366
Milling	680,374	695,903
Admin. & gen. exps.	92,868	94,426
Stock transfers, etc.	9,634	9,744
Taxes	1,530,141	802,679
Operating profit	3,273,937	3,279,541
Add: Inc. from secs.	719,812	644,148
Miscellaneous	14,273	5,723
Total net earnings	4,008,022	3,929,412
Less: Depreciation	188,990	210,154
Outside explor. w/o	22,020	87,638
Net profit	3,797,012	3,631,620
Less: Dividends	1,771,560	3,192,000
Exchange adjust.	......	217,793
Surplus for year	2,025,452	221,827
Add: Prev. surplus	14,065,721	13,840,808
Sundry adjusts	912	7,059
Less: Exchange adj.	16,483	......
Tax adjusts.	122,076	......
Sundry adjusts.	5,399	3,973
Surplus forward	15,702,673	14,065,721
Earnings per Share and Dividend Record:		
Earned	$4.76	$4.55
Paid	2.16½	3.00
No. of Shs. Outstand.	798,000	798,000
Working Capital	$	$
Current assets	19,806,099	18,555,686
Current liabilities	2,346,076	2,450,901
Working capital*	17,460,023	16,104,785

*Taking securities at market, working capital would be increased by $347,510 in 1941 and $1,845,293 in 1940.

The Victory Loan Drive

MacDonald Tobacco Co. has sent a notice to all of its branches requesting special window displays in support of the Victory Loan. A window dressing service is operated by the company at several points across Canada and this service will be made available to the local loan committee.

* * *

Sault Ste. Marie's Public Utilities Commission has arranged to have a sticker and other publicity material on the loan included with hydro and water accounts being mailed in June.

* * *

One of the Goodyear Tire and Rubber "blimps" will be brought from the United States to fly over Ontario and possibly part of Quebec during the campaign.

* * *

Victory loan slogans will be printed on milk bottle tops, electricity and telephone bills in Winnipeg and other Manitoba centres.

As a reminder of the Victory Loan flags will be placed on the 9th and 18th greens of all golf courses in Manitoba. The flag will be red with the Union Jack printed in the upper left-hand corner, together with "Let's Finish the Job" on one side and "Buy Victory Bonds" on the other.

* * *

The T. Eaton Co. and the Robert Simpson Co. are giving eight full pages of advertisements to further the Victory Loan — four each — to appear in Toronto papers during the campaign.

Repatriation Planned By Canadian Canners

Rumors that the $170,000 set aside by Canadian Canners for redemption of preferred issues would be used for purchase of stock in Canadian markets are contradicted by information received by The Financial Post. According to the information received, the reserve has been set up for possible repatriation of stock held in the United Kingdom which normal markets might be unable to absorb.

Both classes of preferred stock can be redeemed by purchase on the open market and the first preferred can be called for redemption at $23 per share, the second preferred at $20. The first preferred is currently quoted around $20 and the second preferred around $9 per share.

Health Visits To U.S. Again Curtailed

(Continued from page 1)

his own doctor. The applicant's bank then sends the doctor a form of medical report which he will fill out after an examination of the patient, and which the doctor will forward direct to the F.E.C.B. at Ottawa. The patient need not see the report nor know what is being confidentially communicated by his doctor to the Board.

Unlike the former system in which the doctor was required to make a definite recommendation as to the trip, no such recommendation is now required. Instead, the doctor will be asked to report only on the actual condition and past history of the patient and, from such evidence, the decision of the Board, based upon advice from the medical health officers of the Department of Pensions and National Health, will be made.

Old System Unpopular

In other words, responsibility is now on the F.E.C.B. and the health officials at Ottawa. The local doctor no longer risks rendering an unpopular decision.

Though there were no formal protests, The Financial Post is informed doctors generally were very much opposed to the old regulations. They claimed it placed an unfair responsibility on their shoulders similar to that involved during the "scrip" days of prohibition in some of the provinces.

Steel Car Head Defends Stand In Dispute

From Our Own Correspondent

MONTREAL. — The conciliation board probing the dispute between National Steel Car Corp. and its employees has adjourned to June 9. Reason given by the chairman is to permit the parties concerned to clarify their claims. The chairman has asked Millard, union spokesman, and E. J. Brunning, Government controller of the Hamilton plant each to submit briefs before this date.

Organizers of the Steel Workers Organizing Committee (C.I.O.) first sought in Dec., 1940, labor control in the National Steel Car Corp., Hamilton plant, according to R. J. Magor, president, in a statement to shareholders. Mr. Magor's statement covers 26 pages and includes copies of correspondence and telegrams passing between officials and directors of his company and authorities at Ottawa.

Tracing the developments Mr. Magor states: That when the S. W. O. C. applied for a Board of Conciliation Feb. 2, 1941, it was on behalf of the company's secondary maintenance men and carpenters and alleged complaints as to wages, working conditions and wrongful dismissals. This entire group comprised less than 3% of the total of over 2,500 employees.

Critical of Labor Department

That the Minister of Labor "knowing from the investigation made by a representative of his department that wages, hours, and working conditions were all satisfactory, and presumably also knowing that prosecutions for alleged wrongful dismissals brought by the C. I. O. had already been tried before a magistrate and dismissed, should not have assisted the C. I. O. in its attack on their company by establishing a board."

That in instructing the Conciliation Board to make an interim report dealing exclusively with the question of dismissals, but leaving alone wages, hours and working conditions, the Minister of Labor "exceeded his authority for the Industrial Disputes Investigation Act gives him no such power, but on the contrary it requires of any board appointed that it make a 'full report' on the items in dispute and to make it on the 'merits.'"

Called for Note

That this board did not make its report on the evidence heard "as was their duty under statute and as they had been specially directed to do by the Minister." A majority of the board decided to defer their decision and ordered a vote of all employees on the question whether they wished to be represented by the S. W. O. C. in negotiations with the company.

That the form of ballot prescribed offered voters no choice either of other unions or of their own shop union, but only the S. W. O. C..

That "this mandate was issued by a Board of Conciliation to whom no such question had been referred and who had no authority under the Act to deal with it."

Demand Tanner Taken Back

"We feel in respect of the specific case of George A. Tanner, president of the local union, and one of the applicants for the Conciliation Board, that we should at once . . . make the finding and recommendations . . . that Tanner should be immediately reinstated . . . pending the proceedings of this board and pending any final disposition of his case."

The company management decided to reinstate Tanner "merely because he was president of the union.

The company asked the Minister of Labor for an opportunity to present their views on the matter to him personally, something which Mr. Magor states they were not given the chance to do before the Board of Conciliation. This opportunity was promised to the company, he states, but no definite action taken by the Minister, who did not answer letters of protest against the demand for Tanner's immediate reinstatement. Threats to call strikes in other important steel industries followed.

Workers Would Return

Mr. Magor stated his belief that the company could count on the early return of from 80% to 90% of its regular employees. The next step was a receipt of a telephone call and a confirming telegram calling upon the company to resume work within a stated period, the alternative being appointment of a controller by Mr. Howe.

In a telegram to Mr. Howe, Minister of Munitions and Supply, Mr. Magor and Glyn Osler, executive director, explained why they could not accept the interim recommendation of the Conciliation Board, but assured that the decision to appoint a controller of the plant would not interfere with the company's desire to make "maximum efficient contribution to the war effort." They maintained that "our action has not been arbitrary or unreasonable, but in addition to many irregularities, the interim report of the Board of Conciliation recommending reinstatement of Tanner to which you ask us to give effect was expressly made without deciding on the merits of the case."

Cut Shell Cost

Summarizing some of the company's accomplishments in war production since 1936, Mr. Magor points out that the company has been able to reduce the selling price of three types of shells to the British Government by percentages rising from a low of 32.8% to a high of 47.5%, according to the type of shell. At the same time, it has been able to increase the average hourly earnings of its workers by 47.2%. He refers to the progress made in improving technical questions in shell production which the company has solved and which it has made available for other Canadian manufacturers with whom the Government negotiates shell orders. This information over the past two or more years has been passed on to technical representatives of several other parts of the Empire as well as of the United States, all without a cost.

Construction Licensing Plans

(Continued from page 1)

tion into the merits of the application.

The one guiding principle will be that if the project can be deferred, no permit will be issued. The board will require definite proof that the proposed work is essential and cannot be postponed before a license is issued.

To All Before April 29

Licensing applies to all commitments made or work initiated prior to April 29, the day Finance Minister Ilsley brought down the budget in the House of Commons.

Any building or equipment project under way and not exempted in the categories listed, must apply for a license. Where work is under way the board is expected to be lenient in issuing licenses even where the project would not qualify under the regulations.

Where commitments have been made, such as the purchase of land or the ordering of materials, but the work not actually undertaken, the project will be considered purely on its merits as an essential work before a license will be issued.

Dosco Plans Extension At Sydney

(Continued from page 1)

disturbing balanced operation at the company's plants.

In the years in which it has stood idle, the 110-in. plate mill has had many parts of its equipment removed for other uses. It is a large plant, covering seven acres, and its rehabilitation will require much work and important new equipment. Of the total expenditure it is said that probably not more than a third will have to come from the United States. Much of the equipment needed will be provided from England and the balance in Canada.

Need For Ships

According to Mr. Howe, the extensions are necessary for the shipbuilding programme. It will give melting capacity of the Sydney plant of 670,000 gross tons of ingots a year. Of this, the new open hearth furnace will provide around 70,000 tons annually. When the plate mill is in operation, the Sydney plant capacity will be 600,000 tons of rolled steel products per year.

At various other plants, mostly in Nova Scotia, there are now under way other important plant additions. Most of these have to do with war work of various kinds.

Exchange Still Supplied To Pay U.S. Union Dues

From Our Own Correspondent

OTTAWA.—Canadian branches of international labor unions are still free to transmit dues to U. S. headquarters, but in some cases the funds are being retained in Canada, The Financial Post learns.

Wartime exchange control classes unions along with fraternal organizations, The Post is advised, and provides exchange for fees to parent bodies in the U. S. The official attitude is that the amounts thus sent are relatively small in comparison with the total amount of exchange required to meet Canadian obligations in the U. S.; and that it would interfere with long-established practice to bar these remittances.

Dues paid by Canadian groups to U. S. head offices over past years, it is pointed out, have built up a substantial interest of the Canadian membership in the funds and benefits of parent organizations. In many cases, it is declared, the amounts paid by Canadian bodies have been matched or even exceeded by payments from international treasuries by way of sick benefits, death benefits, pensions, and financial assistance for strikes and organizing campaigns in Canada.

Endanger Equity

To cut off the U. S. payments, it is felt here, would not only cause considerable difficulty but would endanger the equity of Canadian groups in the funds controlled by head offices. Officials do not deem it feasible to discriminate between remittances of non-profit organizations such as fraternal bodies and unions.

The Post is informed that some unions are "short circuiting" dues to parent bodies into Canadian bank accounts. These are maintained variously under control of international officers in the U. S., under joint control of American and Canadian officials, or in some cases under purely Canadian control.

This practice had been adopted in several instances prior to the war, and has gained headway in the past year and a half. While partly to avoid the problem of the premium on U. S. funds, the funds retained here have been used to bolster union organizing drives and build up strike pay war chests. This has been especially due of the C. I. O. unions active in basic war industries such as steel.

No Immigration Bar

Paralleling the continued freedom of the unions to pay tribute to U. S. headquarters in the form of per capita dues, the Government has made no move to curb the free passage across the border of international union organizers and other officials. In a recent instance, it is said, a union agent from the U. S. took advantage of this long-standing privilege to direct union agitation in a Canadian industrial plant, and act in behalf of employees in conciliation hearings of the resultant dispute.

Thus Government regulations not only permit Canada's foreign exchange resources to be tapped to pay dues to parent unions in the U. S., but facilitate operations here of U. S. agents, financed at least indirectly by the contributions of Canadian workers.

Seeks to Attract Industries to N. S.

Seeking to attract new industries to Nova Scotia to serve Maritime needs directly, Hon. Harold Connolly, new N. S. Minister of Industries and Publicity, this week started a tour of Toronto, Ottawa, Montreal, and other points in central Canada. While desiring to see Nova Scotia get a share of war industrial activity, Mr. Connolly told The Financial Post, he is still more anxious to get branch plants and new industries to meet regular civilian demands on a permanent basis.

In addition to surveying industrial prospects, Mr. Connolly is canvassing the outlook for attracting tourists to Nova Scotia from Ontario and Quebec. The Minister's department is making a special effort this year to draw tourists from these two provinces.

Pipe Line Would Lessen Gasoline Shortage

Possibility that shortage of tankers will reduce petroleum supplies to Canada and the northeastern United States has loomed since Britain's lifeline shifted from the Mediterranean to the north Atlantic. Number of tankers plying between Gulf and Atlantic ports has been reduced over 20% by movement of ships to transatlantic trade.

Scarcity of transportation is being tackled in the United States by increasing capacity and number of pipe lines from the southern U. S. fields to seaboard, speeding tanker construction. Permission for the U. S. Government to build pipe lines to seaboard is now being sought from Congress. Meantime, tanker space is being economized in all regions, including the west coast.

A 2,000-mile saving in distance travelled by tankers will be the proposed pipe line from Portland, Maine, to Montreal. The Montreal line would be built and owned by private capital supplied by Standard Oil of New Jersey. It is understood that for the duration of the war, at least, the line would be available to all companies receiving their oil through Montreal.

Definite decision on the pipe line has not been reached, but The Financial Post is told that construction is a practical certainty. The project has been discussed with G. C. Cottrelle, Oil Controller for the Dominion, who declared:

Having regard to the shortage of tankers required for the United Kingdom supply, the manner in which United States tankers are being used in the same connection, together with the tank car situation, the importance of this pipe line is emphasized.

The proposed pipe line would reduce the round-trip voyage of ocean tankers supplying Montreal refineries by approximately 2,000 miles. Having regard to the transportation problem, which is one of the greatest we have at the moment in connection with the industry in Canada, only by a pipe line may we be able to take care of petroleum products which we require for our industrial effort. Further than this, a pipe line would make a substantial saving in United States dollars, as the tanker freights must be paid in U. S. dollars.

Our viewpoint at the moment must be: first, to supply that which is required by the United Kingdom and secondly, that which is required for war effort in Canada. The public must come third.

A great deal has been said about rationing gasoline. The transportation problem within itself may ration that which will be available to the public.

Transportation by tank car is much more expensive. Outside of this, according to a recent press release from Washington, the situation in the United States as far as tank cars are concerned is acute. They have not sufficient of these for their own use and those which were heretofore leased from the United States for use in Canada will not be available this year.

Question of conserving tanker space has not yet reached the point of altering conditions on the Great Lakes. A number of Ontario companies draw their crude supplies from pipe lines ending at Toledo and Buffalo, bringing them to refinery and distribution points by lake tankers.

Investors' Index

May 24, 1941

A. J. Freiman	4	Dom. Woollens	4
Abitibi	4, 5	Dosco	1
Assoc. Breweries	13	Famous Players	4
Avalon Tel.	4	Goderich Elev.	13
Bell Telephone	7	Grt. Lakes Paper	11
B. C. Packers	5	Inter. Utilities	4
B. C. Pulp & P.	5	Invest. Found.	13
B. C. Telephone	4	Levy Bros.	13
Brown & Co.	11	M. & O. Paper	4
Can. Cr. Stone	11	Nat. Steel Car	2
Can. Machinery	11	New Eng. Pwr.	11
Candn. Canners	2	Photo Engravers	11
Candn. Car & F.	5	Saguenay Pwr.	11
Candn. Inger. R.	11	Sher.-Williams	11
C. P. R.	8	United Towns E.	13
David & Frere	11	Walkerville Br.	11
Disher Steel	2	Zeller's	8

MINES AND OILS

Bonetal	15	Lake Shore	14
Buccaneer	15	Malartic G. F.	14
Buffalo Candn.	14	McIntyre Porc.	2
Can. China Clay	15	McKenzie R. L.	14
Candn. Malartic	14	Moneta Porc.	14
Century	15	Musketeer	15
Gillies Lake	14	Naybob	14
Gold Frontier	15	New Augarita	14
Hard Rock	14	Perron	14
Hasaga	14	Pickle Crow	15
Inspiration	14	Powell Rouyn	14
Inter. Nickel	14	Springer Sturg.	15
Island Mountain	14	Thompson-Lund.	15
Jason	14	Uchi	14
Jerome	15	Wright-Harg.	14
Kerr-Add. 1, 14,	15	Yama	15
Lake Geneva	15		

REGULAR FEATURES

Banking	10
Bond Markets	5
Bond Quotations	12
Business, Week in	7
Company Reports	4, 11, 13
Commodity Prices	13
Editorial	6
Foreign Exchange	4
Insurance:	
Fire and Casualty	10
Life	10
Investment Trends	4
Investment Enquiries	11
Market Opinions	4
Stock Quotations	12
Mining, Week in	14
Company Reports	14, 15
Mining Enquiries	14
Mining Quotations	12
Municipal Finances	14
Oils, Week in	14
Oil Quotations	12
Pulp and Paper	5
Wheat, Week in	13
Wheat Quotations	13

Dominion Bridge Co. Expands at Coast

Transfer of the inactive rolling mill equipment of Dominion Bridge Co. from Calgary to Vancouver has been announced by Hon. C. D. Howe, Minister of Munitions and Supply. The mill, with a new electric furnace, will use scrap steel available at the coast, which accumulates at an estimated annual rate of 70,000 tons.

Cost of expanding to the Vancouver properties of Dominion Bridge is to be met by the company, it is reported. As the rolling mill will be confined to a small range of products for war use, the expenditure will be smaller than in plants which turn out more varied products, require specialized rolling equipment.

B. A. OIL PLANS

British American Oil Co. has deposited plans and a description of a wharf and structures which it proposes to build on Lake Ontario in connection with its new refinery at Clarkson, Ont. This refinery is primarily to add to the company's capacity to produce lubricating oil.

Treasury Bills

The latest issue of Dominion of Canada Treasury Bills, dated May 16 and maturing Aug. 15, 1941, has been sold, like its predecessors, at a new low interest rate for the war period. The issue, for $40 millions, fetched an average price of 99.85572, a yield basis of 0.580%. This compares with a yield of 0.582% for the preceding issue.

Wheat Acreage Is Down 30%

From Our Own Correspondent

WINNIPEG. — Wheat acreage this year will be less than 20 million acres according to average of reports reaching this centre. Assuming that there is no material change before wheat seeding is completed around the end of this week, this will be a reduction of about 30% from last year's record and close to the Government's objective of 35%.

While the official campaign to get wheat acreage reduced, bolstered by $2 to $4 per acre subsidies and restricted 1941 crop delivery quotas, has been the main factor in the decrease, weather has also played a part. Throughout much of the West there has been a great deal of rain this spring. This, of course, has hampered seeding.

On the other hand, the added moisture has resulted in excellent growing prospects. It is quite possible, with continued favorable weather for the next 60 days, even this year's reduced acreage may produce much better than an average total crop.

Three Generations OF BUSINESS BORROWERS

"Son, when your grandfather started this business sixty years ago, his first bank loan was $300 from the Bank of Montreal. We've looked to them ever since, and our credit line now is in five figures."

BANK OF MONTREAL
ESTABLISHED 1817
"A bank where small accounts are welcome"
A101

Coal Miner Slowdown Hits War Industry

(Continued from page 1)

upon the Maritimes for about 700,000 tons. This year they will get considerably less, despite the fact their requirements have increased substantially.

For example, the Canadian National Railways in their Atlantic, Central and Ontario regions used 380,000 tons of Maritime coal in March, 1939. For the same month last year consumption moved up to 421,000 and for March this year to the high figure of 540,000 tons.

Taking the C.N.R.'s Atlantic region alone, coal consumption in March amounted to 100,000 tons, as against 57,000.

Nova Scotia's coal production has increased, but not to the point where it can take care of increased requirements of the "domestic" market and still meet the needs of central Canada.

On top of that, unauthorized strikes and the slowdown campaign have brought production this year to below last year's level, hence it is impossible to ship Nova Scotia coal to the Ontario market this year.

It is now necessary to import bituminous coal from the U. S. for central Canadian points as far east as Levis, Que.

This year it is hoped to ship between 2.5 to 2.9 million tons of N.S. coal into the St. Lawrence market, a more than 20% decline from the actual shipments of 3.7 million tons in 1940.

In April the N.S. mines produced 594,000 tons. A year ago, 616,000 tons. On an all-out basis during April production would have been close to 700,000 tons. The decline will be more pronounced in May judged by present indications.

No difference exists between unions and operators, principally Dominion Coal Co. and Dominion Steel and Coal Corp., over wages or working conditions.

The difficulties are purely of an inter-union character and arise from the fact that the last agreement between the unions and the operators was not submitted by the executive to the coal miners for approval. The "fight" between the local unions and the union executive has given rise to the "slow-up" campaign.

John L. Lewis has sent two representatives from headquarters to investigate—David Stevens and William Sneed.

British Columbia coal is required on the Pacific Coast and, economically cannot be shipped to eastern points. Saskatchewan coal production has increased, but the entire output is needed for local requirements. Alberta coal operators are helping to fill in the "hole" caused by the N. S. situation. In March Alberta coal production was 365,000 tons, compared with 278,000 tons the same month last year. Much of the increased output is being brought east, especially for use in northern Ontario mines.

The real problem lies in heaviest industrial area in Canada, the southern and eastern part of Ontario and, to a lesser degree, Quebec, areas now dependent on U. S. imports.

The coke situation is little better. Algoma and Steel of Canada require all the coke they can produce for their own needs. Industrial demands upon Hamilton Coke and Montreal Coke are particularly heavy. It is almost certain domestic consumption will have to be limited next winter. Coke prices already have moved up. Steps have been taken by the Department of National Defense to abandon the use of coke for cooking and heating in camps.

Labor difficulties in the U. S. soft coal regions are being closely watched. At present stocks of U. S. coal in Canada are equal to those in the United States in proportion to requirements. The other important source of coal for Canada is Wales. Present estimate of Welsh imports this year will be 60% to 75% of 1940's reduction of 1.3 million to 750,000 tons.

Coal imported from Wales is largely for domestic heating. Prospects are "blower sizes" will be considerably under market requirements.

Disher Steel Operates Above 1940 Level

Operations of Disher Steel Construction Co. the first month of 1941 have been well ahead of the same period 1940, but below the peaks of the later months of last year, according to C. E. Disher, president. Greater activity may be expected later in the year after buildings and equipment of existing plants are completed.

Manufacture of other items for defense projects may also be commenced late summer or early fall.

At the annual meeting, Bruce C. Matson, Toronto, was elected to the board of directors, replacing the late Alexander Longwell.

Ready For The "24th"?

Lawn-Bowling Shoes

Made of fine brown calf, with flexible rubber soles and flat spring heels. Comfortable, snug-fitting last, correct in every detail. Sizes 6 to 12. Pair $6.

Simpson's
THE STORE FOR MEN — STREET FLOOR

Weekly Record of Financing in Canada

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

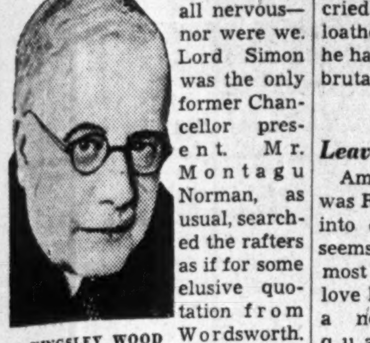
Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Dominion—							
Canada Treasury Bills	May			Aug. 15, '41	$40,000,000	99.836	.580%

London Calling

By Atticus

New British Budget Proves Sore Puzzle for Soviet Ambassador in the Galleries — Not For Winant

LONDON.—When the House of Commons met to hear Sir Kingsley Wood open his Budget, from the beginning it was obvious that the Chancellor was not at all nervous—nor were we. Lord Simon was the only former Chancellor present. Mr. Montagu Norman, as usual, searched the rafters as if for some elusive quotation from Wordsworth. M. Maisky, the Russian Ambassador (who must by this time almost regard himself as an honorary member of the House), looked puzzled when the Chancellor announced that direct taxation would now be 19s. 6d. in the pound on the highest incomes. Perhaps he was marvelling at the slender distinction between Communist and Capitalist confiscation.



SIR KINGSLEY WOOD

With his cherubic smile Sir Kingsley Wood reminded one of a family solicitor reading the will to a group of relatives when no one has been forgotten. In fact, the whole thing was carried off with the utmost good humor, although it meant hardship and sacrifice to those who cheered the executioner.

* * *

Mr. Churchill's Speech

Mr. Churchill has seldom shown the least sign that he knew there was anyone in the galleries of the House. That day, however, when he took his seat preparatory to making his grimly realistic speech on the war situation, he glanced up to the big clock and saw the American Ambassador, who was making his first visit to the British Parliament. A delighted smile came over the Prime Minister's face, and he nodded twice to his friend. Mr. Winant was too modest to return the nod, but his eyes twinkled and one could sense the kindly encouragement he was sending to the man of destiny below.

Winston Churchill is a magnanimous opponent in politics and in war, but his hatred for Hitler grows with each passing month. Nothing could have exceeded the cold contempt with which he likened Hitler's fury at losing Jugoslavia to that of a boa constrictor which had already spread its saliva over its victim only to have it snatched away. But I am certain that Mr. Churchill's hatred of the demoniac dictator is deepened by a certain disappointment. The Prime Minister believes in genius and possesses it. He has never decried Hitler's great gifts, but he loathes the man all the more because he has used those gifts to debase and brutalize the German people.

* * *

Leaving for Home

Among Mr. Churchill's listeners was R. G. Menzies, who has so fitted into our life here that he almost seems like an old inhabitant, though most of us love him like a new acquaintance. He spoke afterward at a luncheon given by the American Outpost, the London end of the "Aid for Britain" Committee. As always he talked with depth, with idealism, and a mature humor.

ROBERT G. MENZIES

Another sojourner to leave us soon is the Chinese Ambassador. We shall miss his cultured irony, his ageless quality, his patience with the pranks of men, his sense of the centuries. He is never flustered, never impatient, never sluggish. Whenever I have spent an hour in his company I have made a firm resolve (to be broken in proper time) to spend my declining years in China on the edge of a tiny river, with the trees making a willowy pattern upon the water, and my only companion an ancient Chinese philosopher, who would also boil the rice.

* * *

Blitz Music

Dr. Malcolm Sargent, who conducted the "Messiah" at the Queen's Hall on Good Friday, has the material for a fascinating and important book. He is a brilliant and vivacious talker, as well as a noted conductor and no mean pianist. Last week he was vastly entertaining when he told me all about his experiences of touring the provinces with the Philharmonic Orchestra, frequently appearing at the same time as the German bombers.

"It has been thrilling," he said eagerly, "and exciting. In one town I did a programme following a dreadful blitz. Just as we were going to do the second number the sirens went. I turned to the audience and said, 'The Germans may kill you and me at any moment, but there is something they can never kill. It is Beethoven's Seventh Symphony.' Not a soul left the place, and the orchestra played like angels. We usually do two performances, and many of the same people come twice on the same night. Others buy tickets for every concert. I have never seen the English so music-hungry."

I asked him for some explanation, and he thought carefully. "Perhaps he said, "it is against the English character for a man to weep over his own personal sorrow but he will weep for the general sorrow. Music expresses that. It is the emotion of humanity finding expression. Tell me: How long will it be before the House of Commons realizes that the arts have a place and must be encouraged?"

My mind hurriedly reviewed the personalities on the Treasury Bench. "Don't be impatient," I said. "Time is on your side. Something tells me we shall yet see Sir Kingsley Wood as Minister of the Arts."

* * *

The winter lingers, cold and unkind, but the buds are appearing on the trees and there are daffodils in the parks.

So our hopes and prayers struggle upon the world.

Copyright, 1941, The Financial Post and The Sunday Times, London.

Member's Widow Contests Seat

From Our Own Correspondent

EDMONTON.—Campaigning for the Edmonton East seat in the House of Commons is in full swing here with the by-election to take place June 2. It was made necessary by the recent death of Fred C. Casselman, Liberal.

At one stage it appeared the Liberals would be given an acclamation. Mrs. Cora T. Casselman, widow of the former member, is the party's candidate.

But entry into the field of A. Albert MacLeod, Toronto editor, as a "People's Movement" candidate, prevented. Social Credit also has entered the field providing a three-way fight for the seat.

Keeping Posted

By J. C. KIRKWOOD

Unglamorous Boom

Ottawa is suffering a war-born boom. Merchants, hotel owners, boarding-house keepers, landlords are prospering as never before. Since September, 1939, there have been close to 30,000 new appointments by the Civil Service Commission. About $8 millions have been added to the annual Ottawa civil service payroll. Writing about this in Maclean's Magazine, May 15, Frederick Edwards says the pleasantly languid prewar Ottawa has disappeared—that life in Ottawa has never been less glamorous.

* * *

Closing Specialist

A book whose value to all sales executives and salesmen it would be difficult to overstate is "Secrets of Closing Sales," by Charles B. Roth (McClelland). The author says no man can call himself a salesman until he becomes a "closing specialist"—a man who can go to a prospect cold, introduce himself and walk out with the order; that closing sales is an art, yet not difficult or mysterious. Beyond all question this unusual book would be a perpetual dividend payer.

* * *

Not For 9-5'ers

Country life isn't exactly soft, says the editor of Canadian Homes and Gardens. There's too much to do, he says—too much unfinished business to deal with season by season. He says this, however, to city folk who may be thinking of a little place in the country: "Don't try to live the year round in the country if you have to spend nine-to-five in town." This article in the May Canadian Homes and Gardens tells of actual cases of city families who have country homes.

* * *

Biscuit Ban

After May 31 Canada will cease receiving biscuits from the United Kingdom. So far, however, there is no ban on the export of British-made jams and marmalades and sauces.

* * *

Tea Trouble

Black tea exported from non-sterling countries — Java, Sumatra, Japan and China—may no longer enter Canada, reports Canadian Grocer. But the quantity of black tea from these countries, except China, imported by Canada was never large. The black tea favored by Canadians comes from India and Ceylon.

* * *

Color Psychology

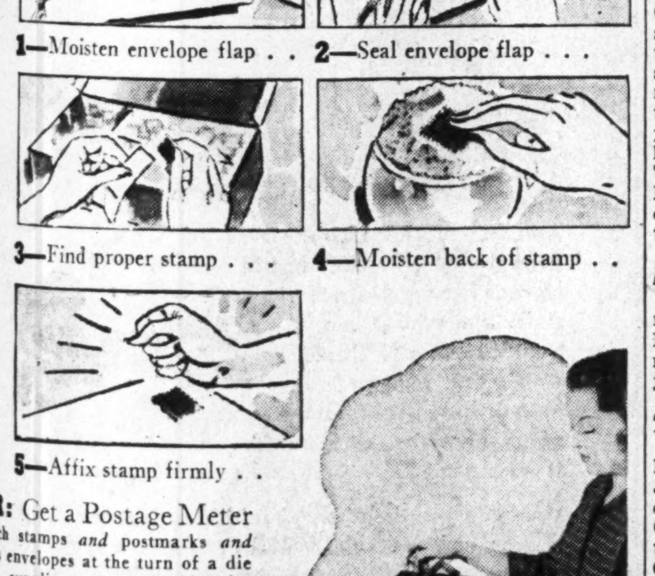
What is your color preference? Most men like blue best, with red and purple as runners up. Women's favorite color is red; runners up, purple, orange, green, blue and yellow in the order given. These indications of color preferences apply to color generally, and do not apply to any designated object—clothing or home decoration, by way of example. Men strongly dislike yellow, orange and green—the warm colors, while women show a strong prejudice against the cool colors—blues, greens and purples, and have only a mild distaste for the warm colors of red and yellow.

There is a psychology of color. Some are stimulating; others tranquilizing, some distinctly depressing. See the article in May 10 issue of Hardware and Metal.

* * *

Canadian Coal

More Canadian coal will be burned in Canadian industrial plants from now on. Allan C. MacNeish, editor, Modern Power and Engineering, says in the April issue there is now no legitimate reason why Canadian coal cannot be used with success in any industrial plant.



1—Moisten envelope flap . . 2—Seal envelope flap . . .

3—Find proper stamp . . . 4—Moisten back of stamp . .

5—Affix stamp firmly . .

OR: Get a Postage Meter which stamps *and* postmarks *and* seals envelopes at the turn of a die . . . supplies any stamp value for any kind of mail, including parcel post . . . holds any amount of postage you want to buy—postage that can't be stolen, lost or borrowed, can't be used for anything but your business mail . . . does its own postage accounting . . . saves postage, mailing time, and worry . . . does away with ordinary stamps, stamp licking and sticking!

Metered Mail gets through the postoffice faster, too, needn't wait for postmarking or cancelling . . . The Pitney-Bowes Postage Meter costs so little, almost any office can use one . . . Call our nearest office for a demonstration—or clip the coupon!

The Canadian Postage Meters & Machines Co., Limited

181 King St. W., Toronto

Branches:

Montreal Winnipeg Vancouver

Consult your Telephone Directory

Agencies in Principal Cities

The Canadian Postage Meters & Machines Co. Limited
181 King St. W., Toronto

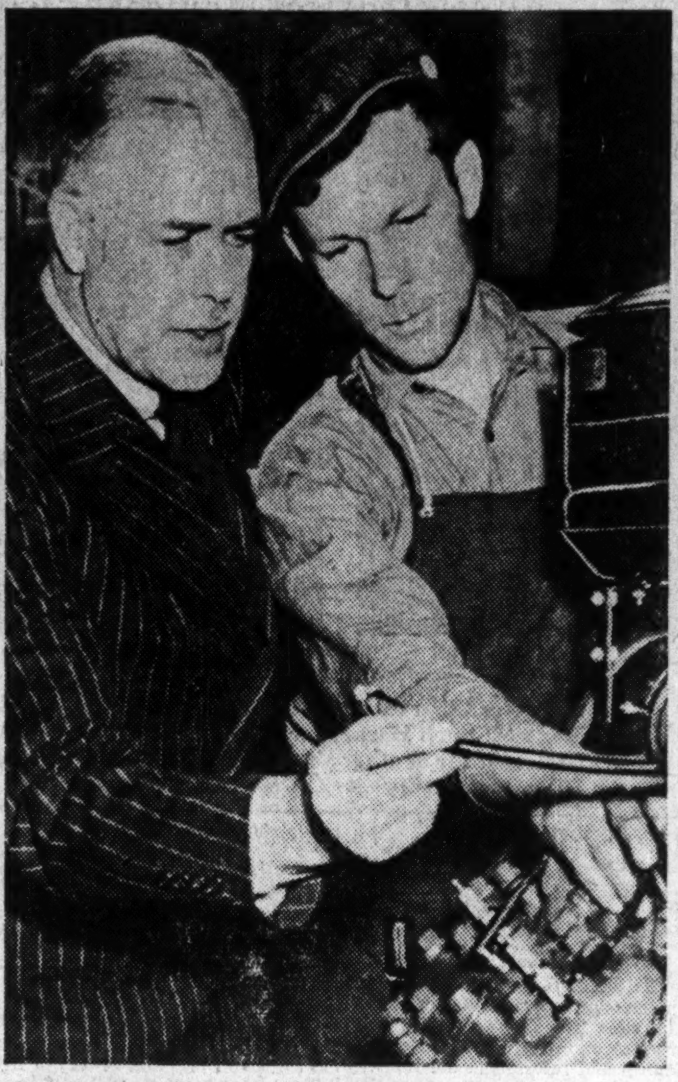
☐ Mail me "The Great Grimblestone Survey"

☐ When may we have a demonstration?

Name ....

Company ....

Address ....



Rt. Hon. Lord Marley, deputy speaker of the British House of Lords, recently visited the Canadian Ford plant at Windsor, Ont. His Lordship on the left, looks over an engine for an army truck with Julius Kovack, on the assembly line.

. . . a sensational triumph of typewriter design
. . . an executive's ideal of economy and efficiency
. . . a secretary's dream come true!

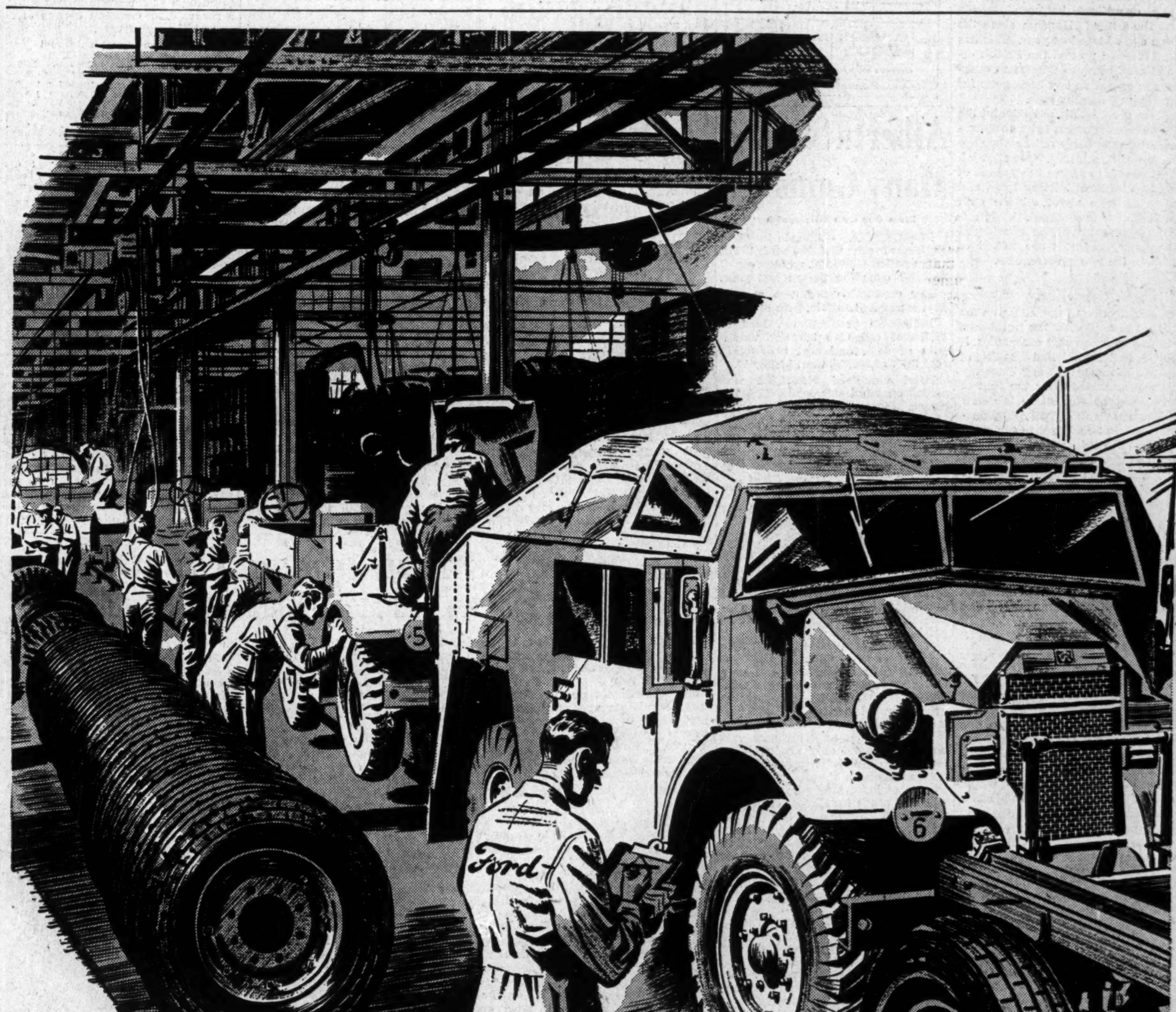
MADE IN CANADA

Tomorrow's typewriter—today! A step beyond all others in modern, efficient designing . . . a step ahead in mechanical refinements and typing aids.

Yet, basically this new model retains all the sound, trustworthy principles which have made the Super-Speed L C Smith the choice of exacting operators and successful business executives everywhere.

L C SMITH & CORONA TYPEWRITERS OF CANADA LTD., TORONTO

THE NEW 1941 *Super-Speed* L C SMITH



"Reinforcements coming up"

TODAY many important eyes in the British Empire are looking towards Windsor, Ontario. Looking to Ford's great army of skilled Canadian workers for fighting machines with which to carry the battle to the enemy. What these eyes see is an encouraging picture of "all out" Canadian effort.

They see Canadians who know how to work together—quickly, accurately, willingly—workers who have already turned out more than 75,000 military vehicles, of more than twenty types. They see thousands of busy Canadians working with speed and determination—each alive to the threat to *his* way of life, to *his* free country and beloved Empire.

Today, Ford of Canada is the most important single source of automotive war equipment for the British Empire.

And so the Ford of Canada assembly lines move at a quickening pace. Frames, axles, wheels, are joined together by skilled hands. Motors swing into place. Bodies descend and are made secure. Sharp, trained eyes check every operation as fighting machines steadily take form. And from this plant comes a stream of army vehicles ready to do service in the Empire's battle lines.

Thanks to Canada—and to Canadian working men—reinforcements *are* coming up at an ever-increasing pace.

Today, assembly lines at Ford of Canada are rolling out a record number of vehicles—with 75% of the entire plant capacity devoted to war production.

FORD MOTOR COMPANY OF CANADA, LIMITED

Investment Trends

Purvis Sees Arms Flow Turning Tide

Investors Can Help in Assuring Better Stock Markets by Making Victory Loan Campaign Successful

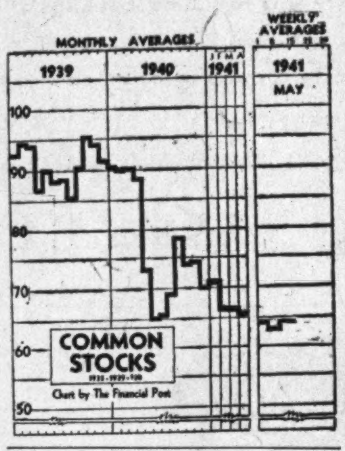
Bending every effort toward assuring an early, successful, conclusion to the Victory Loan campaign soon to be opened is the best measure that Canadian investors can take to bring more satisfactory stock markets. Over the next few weeks every effort will be turned toward this objective and stock markets can expect little leadership from sources within this country.

Speaking at the opening of the Victory Loan campaign in Montreal this week, Arthur Purvis brought a realistic approach to the war outlook that is worthy of careful study by investors. He says, in effect, that so long as the United Kingdom can hold on until next year, then such a weight and variety of war equipment will be rolling from factories in North America as to virtually eliminate any chance that Hitler may ever have had for success.

Encouragement of this nature still calls for a high degree of patience from investors. It suggests that investors may have to be content with current excellent income returns without expecting too much in the way of capital gains.

Since the end of January, stock markets in Canada have declined about 10 points on the averages. This has taken place in two stages. The first came in the first half of February. It was followed by a recovery of a few points, only to find April taking stock markets averages to new lows at or near the bottom hit a year ago.

• • •



More Repatriation?

The time may be nearer than recently expected when more Canadian securities will be taken over by the United Kingdom authorities for repatriation in this country, according to The Economist (London). Apparently the factor on which this opinion is based is the growing accumulation of Canadian sterling balances.

There has been no official repatriation operations between Canada and the United Kingdom since the large one of late last year. This has been cleaned up and the British official who came to Ottawa to oversee the operation has been gone for a couple of months now.

From the Canadian standpoint the present hardly seems to be an appropriate time to carry out another operation of this nature. Our first job right now is to assure the success of the $600 millions Victory Loan and this will take about all the cash available for investment. Undoubtedly this fact will be considered when any proposals are talked of between the two governments.

• • •

E. P. T. Clarified

A clarification of the ruling on the new excess profits tax minimum rate will relieve many companies. It appears that the original wording of this would mean that any company whose year ended after the first of 1941 would be subject to the new minimum tax rate of 22%. Obviously this would be subject to the same criticisms as was the original Excess Profits Tax Act, and which has since been cleared up by permitting adjustment to a calendar year basis.

Now Mr. Ilsley has made it clear that the amended rate only applies to company earnings resulting after the beginning of 1941 and that a pro rata adjustment should be made on the same basis as already provided under the earlier amendments. That this is a matter of some importance is made clear by a comment in the recent annual report of David & Frère. The president points out that the company may be subject to a higher taxation than provided if it is finally borne out that the new minimum excess profits tax rate of 22% applies to companies reporting for years ending after the beginning of this year. The company's auditors add a note to the effect that over $7,000 additional taxation would apply if this is the case. This is a typical case involving a company whose year-end does not coincide with the calendar year.

• • •

Talk of More Controls

There is talk in Washington of stock and security markets being warned if speculative activity increases. Already the commodity exchanges have been notified that the speculative activity in evidence does not meet with the approval of the administration authorities.

Just where any need for warning against speculative activity in stock markets exists is a little hard to see at present. As a matter of fact it is greatly doubted if any responsible authority at Washington would not welcome healthier stock markets than have been shown for many weeks. On the other hand it is probably also true that anything approaching runaway speculation would meet the strong arm of Washington's opposition.

More good to financial markets in general could be done by assisting them than by warning them about something of which there is no real evidence. In commodity markets, there are signs that upward price movements are getting out of hand. When indices of spot commodities and commodity futures both move upward with scarcely any interruption for weeks at a time, it is a sign of a marked change in sentiment. Under ordinary circumstances it would be taken to indicate that stock markets would follow before long, but these are not ordinary times and the standard indicators of peacetime seem to have lost much of their value. At least it can be said, however, that upward moving commodity markets are not in any sense unfavorable to stock markets.

Internat'l Utilities Directors Sustained

P. M. Chandler, William F. Carey and G. B. Foster have been re-elected to the board of directors of International Utilities at the postponed general meeting of the company in Baltimore. Proxies for the replacement of these directors had been sought prior to the meetings.

Big Expansion For Dominion Still Foreseen

From Our Own Correspondent

OTTAWA. — Further substantial expansion in Canadian industry and national income is foreseen by the Department of Finance, The Post learns from a reliable source. The authorities are relying on such expansion, estimated at between 10 and 20% to ease the tax burden imposed by the recent budget. With continued growth of war industry there should be more wage earners and more total wages to contribute the taxes.

The gain should also have an important bearing on the war loans to be floated this year. Difference between estimated income and outgo of government for the 1942 fiscal year was placed by Finance Minister Ilsley in his budget speech at approximately a billion dollars. Presumably this difference will have to be financed through loans, hence the nearer the huge gap can be bridged the less to be borrowed.

Based on the rate during the first quarter, Canada's real income this year is estimated by the Dominion Bureau of Statistics at $5,111 millions. This is slightly higher than the previous record scored in 1928. The gain so far in 1942 is 10% above the first quarter of 1940.

Canada's industrial expansion in the last 12 months has been greater than the government anticipated, The Post is informed, and estimates of saturation limits have had to be revised drastically upward. Increased efficiency of new machines, co-ordination of power resources, etc. have achieved unexpectedly good results. With surplus labor still available from the ranks of women still further stepping up of production is anticipated.

Cotton Mills Set Record

April Activity Highest on Record Measured by Bales of Cotton Opened

From Our Own Correspondent

MONTREAL. — Canadian cotton mills set a new record for high rate of activity in April this year. The Cotton Institute of Canada reports that 46,404 bales of cotton were opened in Canadian mills last month, an increase of 889 bales over March this year and up 2,620 bales from March, 1940. Each bale of raw cotton contains 500 lb.

This actually marks the second consecutive month to show new record for cotton mill activity in Canada.

For the first four months of this year a total of 179,098 bales have been opened by Canadian mills, compared with 170,655 for the corresponding period of last year.

The index af activity in Canadian cotton mills reached 181.1 in April compared with 174.7 in March and 174.2 in April, 1940. This index is based on the revised series which makes 1935-39 equal 100.

Alberta Shows Many Gains

From Our Own Correspondent

EDMONTON. — Alberta building contracts for the first three months of 1941 totalled $1,944,900, an increase of $544,000 over the period last year.

Fur production first two months 1941 totalled $1,191,812, gain of 240%.

Petroleum production valued at $1,916,044 (1,510,100 barrels) was a gain of 43%, and coal production rose 5% to 1,270,032 tons, $3,369,484.

Total value of $14,675,852 was placed on wholesale trade, 12% increase. Motor vehicles sold jumped 2%.

Cattle marketings, $1,119,187, was a gain of 17%. These figures are from a report by the Provincial Trade and Industry Department.

Market Opinions

Market analysts continue to comment on the divergence of stock prices and earnings trends, regarding the degree of confidence held by investors as a more important market factor than financial considerations, either present or anticipated.

Magazine of Wall Street—While the market as a whole has not yet broken last spring's lows and may or may not do so in coming weeks, it has nevertheless lost considerable ground in relation to business volume and corporate earnings.

From here on total business volume can expand only gradually, as industrial capacity is increased, and volume gains in the defense industries must increasingly be at the expense of other industries, especially consumers' durable goods industries. . . . What we are emphasizing is that any major improvement in the market awaits the development of a psychology under which investors and traders are willing to put a higher valuation on any given level of earnings.

Financial World, New York—Stocks making new lows each day outnumber those at new highs for the year. But as measured by the averages, recent trading sessions have resulted in no significant net change in the general market.

Brookmire Counselor, New York—When high selectivity and irregularity characterize the movements in stock prices, investors should look over their portfolios to determine in which group over- and under-emphasis is placed, and build up those groups which currently have a better outlook.

At the present time emphasis should be kept on those groups which will benefit from the rising tide of general and war-stimulated business, viz: aviation, automotive, machinery, oils, railroads, railway equipments and steels.

• • •

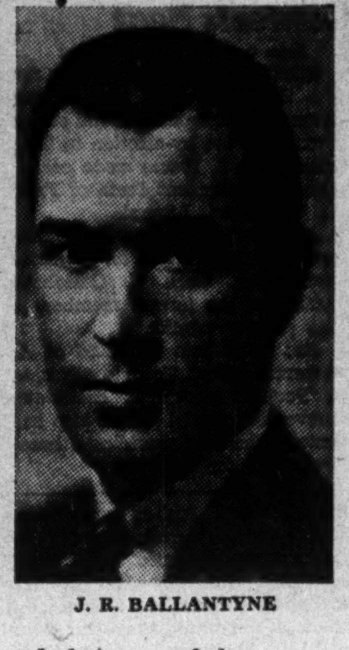
Investment Trend, Detroit—Stocks, based upon both earnings and dividend yields, are unquestionably cheap, even after allowing for the increased taxes now being debated in Congress. The one adverse factor has been the German threat to the Democracies, including fears as to what might happen in the United States, industrially, politically, and otherwise, were Britain defeated. Once these fears are lifted, the market would be in position to discount earnings at more normal levels, thereby gaining the incentive for a sustained forward movement. America's entry into the war, by strengthening the British outlook, could conceivably contribute to the lifting of the uncertainty.

Barron's, New York (The Trader)—Refusal of stocks materially to decline in the face of myriad uncertainties, including the very real prospect of an imminent rapid transition to a genuine war economy, is, perhaps, only negatively favorable. To expect, however, a broad driving advance, until the outcome of the war is more certain, is to expect the impossible. So long as all of the factors are so markedly favorable, the evidence points to buying opportunities, regardless of how long delayed may be the proof.

New Heads of Montreal Curb Exchange

A. S. BEAUBIEN
—Blank-Stoller.

PAUL OSTIGUY



J. R. BALLANTYNE

A. S. Beaubien of L. J. Beaubien & Co. has been elected chairman of the Montreal Curb Market for the current year. Vice-chairman is Paul Ostiguy, re-elected for another year. Secretary-treasurer is J. R. Ballantyne of Craig, Ballantyne & Co.

B. C. Telephone Bill Changed

From Our Own Correspondent

MONTREAL.—The bill to permit an increase in the capital of British Columbia Telephone Co. has been given second reading in the House at Ottawa and referred to the Railway Committee.

G. G. McGeer (Vancouver-Burrard), sponsor of the measure, stated to the House that certain amendments were planned which he hoped would get around some of the objections raised to the bill in earlier debate.

He also proposes an amendment to cut in half the proposed capital entries in place of an increase from $10 millions to $20 millions.

A third amendment is intended to restrict the added powers which the company requested. These powers are now to be defined as giving the company power to operate only wireless telephone and radio telephone systems, and to provide service solely for the transmission of sound pictures, writing or signals. The earlier wording would have given the company also power to take up any development in the communications now in existence, or to be developed in the future.

Montreal Share Volume Drops 60.7% in Year

From Our Own Correspondent

MONTREAL.—Volume of trading on the Montreal Stock Exchange for the year ended April 30 last declined by 60.7%, according to a statement made to the Exchange's recent annual meeting by Raymond Allan, chairman. The decline was attributed to war.

Mr. Allan told members that approximately one third of their number has enlisted in the Canadian Active Army since outbreak of war.

Gas Industries Face Soaring War Demand

Biggest problem to be faced by the Canadian gas industry in 1941 is how to adapt supplies to the increased burden of war. The Canadian Gas Association, which held its annual convention in Hamilton this week, heard E. J. Tucker, general manager of Consumers' Gas Co., and others on this subject.

Behind the soaring figures of gas consumption lie the direct uses which have appeared with the war. Gas is used for annealing brass shell-cases. Gas treats the tools and dies used for rifle and machine-gun manufacture, and is used directly in production of these weapons. Gas helps build the marine engines used in corvettes. The growing Canadian optical industry needs gas for the glass in gun-sights, bomb-sights, field glasses and camera lenses. And military camps are heavy consumers for cooking, water heating and sterilizing.

Gas by-products enter into explosives and other chemical products, including plastics. One by-product, phenol, is used to make picric acid, base for shell propellants, also enters into plastics for air-screws, gears and non-splintering transparent gun-turrets. Another, toluol, is the basis of T.N.T.

One Canadian company, formerly supplying about 40 million cubic feet of gas to industry per month, now supplies five times that amount, with the demand still growing. One-fifth of another company's output is now being taken for manufacture of bullets and cartridges alone, the demand to be doubled shortly. Two other companies report increases of 43% and 22% in industrial demand, according to Mr. Tucker.

Increase in demand for gas in North America brought the 1940 total 55% above the 1929 boom consumption, according to T. J. Strickler, president of the American Gas Association. In 1941, it is estimated that demand will be boosted 10% over 1940.

Problem of filling these unprecedented requirements is being tackled on two fronts: restraint of domestic and other non-war demand, by restricting sales of gas-using appliances, and by additions to equipment for gas production. Expansion requirements are being met by the gas companies' own capital thus far, and have caused a tieing up of funds that is bringing some alarm over the problem of finding post-war uses for the additional equipment.

Company Reports

Avalon Telephone

Avalon Telephone Co. reports gross earnings of $286,938 in the year ended Dec. 31, 1940, compared with $271,202 in 1939. Net profit amounted to $45,089 in 1940 and $44,623 in 1939. There were $200,000 of 6% preference shares of $25 par value issued in 1940. At the end of the year there were $30,225 issued and paid up.

Net profit in 1940 was equal to $2.82 a share on the 7% preference stock, compared with $2.79 in 1939. Outstanding 6% preference earned $37.12 a share. The common earned $1.79 and $1.76 respectively.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross earnings	286,938	271,202
Less: Oper. exp. & tax	142,611	128,217
Depreciation	50,418	49,544
Bond interest	35,730	36,000
Def. assets w/o	......	4,202
Income tax	13,090	8,616
Net profit	45,089	44,623
Less: Pref. divds.	28,209	28,000
Common divds.	16,544	16,545
Surplus for year	336	78
Add: Prev. surplus	2,524	2,446
Surplus forward	2,860	2,524

Working Capital

	1940	1939
	$	$
Current assets	107,092	88,882
Current liabilities	74,333	81,259
Working capital	32,759	7,623

• • •

Balance Sheet Changes

	1940	1939
	$	$
Cash	11,024	3,098
Inventories	20,176	14,513
Accts. payable	42,965	31,159
Bonds	792,000	800,000
6% preference	30,225	......

Minnesota & Ontario

First report of Minnesota & Ontario Paper Co. following reorganization as of Feb. 28, 1941, shows a loss for the first quarter after taxes and bond interest. The loss occurred in the first two months of the year, a surplus of $35,378 being shown for March.

Low water in the International Falls-Fort Frances area resulted in power shortage seriously affecting earnings of the two plants, particularly in the last quarter of 1940. Production was reduced and the company forced to purchase groundwood pulp and newsprint to maintain operations and fulfill contracts. The power situation had improved somewhat and operations enlarged by April 1, but the company plans installation of a $600,000 steam plant at International Falls to avoid recurrence of the 1940 shortage. Total capital expenditures in the balance of 1941 are expected to run $1 million.

Number of Canadian subsidiaries is being reduced from eight companies to three. In the United States four subsidiaries at International Falls are to be absorbed into the parent company, reducing the number of subsidiaries in that section to two.

Sinking fund operations are proceeding, with the balance sheet of Mar. 31 showing income bonds outstanding at $11.7 millions against the $12.2 millions at the time of reorganization. A further $200,000 has since been contributed to sinking fund and a balance of $511,307 was due May 1.

Consol. Income and Surplus Account
Three Months Ended Mar. 31, 1941

	$
Net sales (incl. r. r. revenue)	4,208,123
Less: Cost of sales	*3,715,855
Admin. & gen. exp.	378,361
Operating profit	113,907
Add: Other income	48,574
Total income	162,481
Less: Income taxes	24,000
Bond interest	152,500
Net loss for period	14,019
Less: Prop. applic. to Jan. & Feb.	49,397
Earned surplus	35,378
*Including depreciation	299,781

Working Capital

	$
Current assets	11,147,572
Current liabilities	2,180,782
Working capital	8,966,790

Abitibi

Ninth annual report of G. T. Clarkson, Receiver and Manager of Abitibi Power & Paper, shows working capital nearly doubled as a result of 1940 operations. Revenues exceeded expenditures by $8.2 millions in the year, against $3.4 millions in 1939. Allowance for depreciation was stepped up from $1.8 million to $4.5 millions.

Shipments of newsprint and pulp in 1940 totalled 430,299 tons, of which 102,333 tons were sold to other Canadian newsprint manufacturers under prorationing agreements. In 1939 total shipments were 324,543 tons. Increase in Abitibi shipments amounted to about one third of the previous year. Average increase for the industry was about 20%. The Smooth Rock Falls mill turned out 61,840 tons of sulphite pulps in the year against 44,896 tons in 1939.

Results From Operations
Years Ended Dec. 31

	1940	1939
Income:	$	$
Sale of newsprint & pulp	22,539,190	15,506,229
Sale of power	960,040	639,819
Less: Oper. costs incl. adm. & gen. exp.	16,535,524	12,819,076
Add: Prem. on U. S. funds (net)	1,458,787	504,027
Int. & disct. earned	127,061	115,465
Sundry oper. profits	21,629	3,402
	8,571,183	3,949,866
Less: Int. on receiver's certs. & overdrafts	......	107,963
Cost of issue of reports	2,849	2,806
Costs idle mills and timber concessions:		
Idle mill costs	48,360	60,688
Tax., mills & t'sites	41,516	52,958
Timber concessions	57,742	57,602
Sabotage protection	111,094	87,605
Legal, audit exps.	48,000	48,000
Receiver's exps.	48,000	48,000
Exps. re bdhldrs.	......	29
Prov. for U. S. tax	20,715	16,588
Cost of spec. reports	1,800	17,172
Exps. of liquidator	1,801	3,002
Bdhldrs.' comm	1,801	2,452
Bal. for depr. & bd. interest	8,187,505	3,445,001
Less: Depreciation	4,500,000	1,785,000
Balance	3,687,505	1,660,001
Add: Prev. balance	9,930,930	8,259,032
Sundry adjusts.	......	11,897
Less: Sundry adjusts.	3,128	......
Balance forward	13,615,301	9,930,930

Working Capital

	1940	1939
	$	$
Current assets	20,425,161	12,272,827
Current liabilities	1,596,789	1,500,170
Working capital	18,828,372	10,772,657

Other Balance Sheet Changes

	1940	1939
	$	$
Cash	6,490,713	303,741
Dom. Govt. bonds	1,492,500	......
Inventories	6,141,077	5,894,912
Bond liab.* Can. fds.	74,913,231	
Bond liab.* U.S. fds.	83,153,687	

*Including interest due and unpaid together with interest on unpaid interest.

Dominion Woollens

Annual statement of Dominion Woollens & Worsteds Ltd., for 1940, shows operating earnings more than double 1939. Taxes were nearly 8 times as high and depreciation charges were higher by 50%.

Military, naval and air force requirements accounted for 40% of total sales in 1940. Orders now booked are stated to ensure full-time operation in the present year. Facilities were fully employed last year, and the consolidation of plant effected in 1939 resulted in maximum production being obtained at the lowest possible cost.

Provision for taxes is adequate in the opinion of the management, but the basis on which excess profits tax is computed has not been finally settled.

Large stocks of raw materials are now necessary for continuous operation, according to president J. W. Hobbs. Inventories at the end of 1940 were reported at $1,514,978, after deducting reserves against a fall in prices, against $879,333 the year before.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	850,150	405,650
Less: Depreciation	242,591	160,000
Bond interest	62,460	63,510
Bad debts	301	28,205
Income taxes	315,000	40,000
Net profit	229,798	113,935
Less: Pfd. divds.	38,106	......
Surplus for year	191,692	113,935
Less: Prev. deficit	69,677	183,612
Add'l. depr'n.	3,795	......
Prior yr. taxes	3,801	......
Surplus forward	114,419	*69,677
*Deficit.		
Earned per Share:		
Preferred†	$3.62	$1.79
Paid	0.60	....
Common‡	1.03	0.25
None paid.		

†Before taking participating features into account.

‡After allowing for preferred participation.

Working Capital

	1940	1939
	$	$
Current assets	2,143,428	1,426,898
Current liabilities	1,210,982	778,571
Working capital	932,446	648,327

A. J. Freiman

Increase of nearly $150,000 in gross profit on sales was shown by A. J. Freiman Ltd., Ottawa department store, for 1940. Selling and other operating expenses also advanced, the increase being about $120,000, while income taxes rose $24,000.

Net profit for the year improved to $7.48 per preferred share against $5.50 the year before. Earnings of 15 cents a share on the common were the first since 1932. As at Jan. 1, 1941, arrears of dividends on the preferred amounted to $25.50 per share.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross profit on sales	1,063,598	916,647
Add: Other income	56,476	56,304
Gross income	1,120,074	972,951
Less: Oper. expenses	887,112	766,410
Exec. salaries	39,500	46,407
Mtge. interest	29,692	30,617
Other interest	21,111	28,230
Legal fees	462	463
Depreciation	38,073	37,318
Amort. improvemts.	2,778	3,900
Life insurance	738	......
Income taxes	35,000	11,000
Net profit & surplus	65,608	48,608
Add: Prev. surplus	477,761	429,753
Surplus forward	543,369	477,761
Earnings per Share:		
Preferred	$7.48	$5.50
Common	0.15	d0.05
No dividends paid.		

Working Capital

	1940	1939
	$	$
Current assets	1,637,487	1,692,370
Current liabilities	696,112	831,275
Working capital	941,375	861,295

Foreign Exchange

During the week May 13 to May 19 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, May 19

Australia	3.58	N. Zealand	3.61
India	.3372	S. Africa	4.47
Japan	.2608	Hong Kong	.2728

What is Nathanson Up to?

Famous Players and Movie Industry Watching

Famous Players Canadian Stock, recently selling at $16.50, was half a point above the year's low. The stock had taken two body punches, first when the Dominion 20% tax on theatre receipts was announced in the budget; second, at the adjourned annual meeting, when former president N. L. Nathanson and his Canadian colleagues on the board of directors resigned in a body.

The why of the shake-up, as told by himself, is that Mr. Nathanson was anxious to bring control of the company to Canada from the present controlling interest, Paramount Pictures, in New York. Just how this could be accomplished in the face of current foreign exchange control has not been explained.

N. L. NATHANSON

At last reports Paramount held about 380,000 of the 430,524 common shares outstanding. To buy in all of these at the recent low of $16 for Famous Players common would require about $6.1 millions; at the February high of $20, about $7.6 millions. No statement is available as to whether Paramount would be willing to part with a portion of its holdings and remain as a minority shareholder.

Failing to succeed in a transfer of control, N. L. Nathanson resigned as president, and with him went Thomas J. Bragg, former secretary-treasurer, A. E. Dyment and Hon. W. D. Ross of Toronto, Major A. P. Holt of London, Eng., and Hon. F. B. McCurdy, Halifax, formerly directors.

J. J. Fitzgibbons, previously vice-president, is the new president, R. W. Bolstad moves up from comptroller to vice-president and treasurer, and N. G. Barrow has become secretary from his former position as assistant secretary. Canadians, it is said, will be added to the board of directors to replace those leaving, but as yet the only new Canadian name is that of Wendell Farris of Vancouver.

J. J. FITZGIBBONS

What Mr. Nathanson will do next has not been answered definitely, but the trade is looking for keener competition.

Normal form for competition in the picture business is for one group to build a better theatre within range of the competing outfit's established units. Better theatres, sometimes lower prices will usually do the trick.

In the past better films have sometimes been obtained by cutting the supply of good shows to other outlets. But if Famous Players, biggest film renter in Canada, ever had much to fear from this sort of fight, the danger passed with the closing of European markets to Hollywood and Britain. No producer or distributor can afford to see further shrinkage in his market because of a battle between rival exhibitors.

A year ago a building race would have been on the cards. Now no theatres can be built without license from the Dominion Government, and it is understood no new licenses are being issued. A moderate-sized theatre (700 seats) takes about 40 tons of steel away from the munitions industry, corresponding quantities of other materials and labor.

—Blank & Stoller.
R. W. BOLSTAD

Paul L. Nathanson, son of the former Famous president, is boss of Odeon Theatres, stated to have an objective of about 75 theatres. Perhaps half this number has been acquired by purchase or lease of existing theatres, construction of a few new outlets. Except for two or three theatres now building, new units for Odeon appear out of the question until after the war. Expansion will have to be through gaining control of existing equipment.

Famous Players would still remain by all odds the largest exhibitor of motion pictures in Canada. Its 1940 gross admissions of $12 millions compare with the 1940 take of $37.6 millions for the entire industry.

Only remaining form of severe competition that could develop would be price-cutting, and this has been ruled out by the new Dominion 20% tax on theatre receipts. Few exhibitors could afford to absorb this tax. If Famous Players tried to it would gross approximately $600,000 less than in 1940, which would presumably decrease its net profits approximately 60%. And the Famous Players theatres are among the most productive in Canada. Of the 302 owned by the company are open for the entire week, although in 1939 there were 442 Canadian theatres out of 1,349 that were only open four days in the week at most.

More than possible competition, the 20% tax can probably be blamed for the drop in value of Famous Players stock. Exhibitors reported that a week or two before the tax went into effect movie-goers were reducing their attendance.

Backbone of the industry is the twice-a-week fan who attends the smaller theatres. Up to a week ago his weekly movie bill was about $1 for himself and wife. Now he must pay $1.20 or cut down his visits.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
Weekly Figures:												
May 1	72.6	60.9	66.4	49.0	99.3	87.9	85.0	75.9	61.8	90.0	66.5	64.5
May 8	72.2	59.4	62.5	51.3	98.0	87.3	82.3	73.9	61.4	88.8	65.6	63.9
May 15	72.3	60.3	64.7	51.3	97.4	89.3	81.8	74.7	60.7	88.2	65.6	63.9
Mo. ago	73.1	61.3	69.6	49.4	100.8	88.2	88.9	77.7	61.4	89.5	65.8	64.3
Yr. ago	85.9	90.6	98.1	68.1	124.5	106.7	97.2	84.7	79.5	99.7	79.3	76.2

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

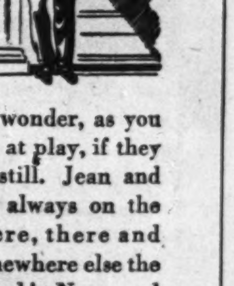
Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
May 20	87.88	96.75	60.68	17.12
May 19	87.73	97.02	60.27	17.10
May 17	87.44	96.78	60.78	17.24
May 16	87.74	96.80	60.96	17.26
May 15	87.84	97.13	60.83	17.28
May 14	87.91	96.75	60.78	17.24
Month ago	89.61	98.11	62.08	17.85
Year ago	103.23	96.58	67.49	23.91
High, 1941	103.48	109.76	69.33	21.62
Low 1941	87.32	96.34	59.92	17.10

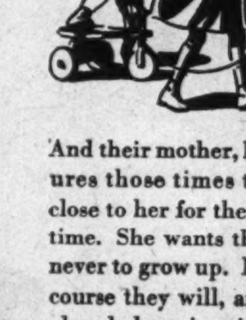
Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
May 20	42.9	53.2	49.8	61.79	72.58
May 19	43.3	53.1	49.8	62.02	72.92
May 17	43.2	53.0	49.7	62.12	73.18
May 16	43.2	53.3	49.9	62.12	73.25
May 15	43.5	53.1	49.9	62.61	73.18
May 14	43.8	53.2	50.1	63.40	73.37
Month ago	45.2	55.7	52.2	61.92	74.97
Year ago	53.3	57.8	56.3	66.74	66.78
High 1941	54.3	66.4	62.3	82.25	79.99
Low 1941	42.9	53.3	49.3	59.34	72.58

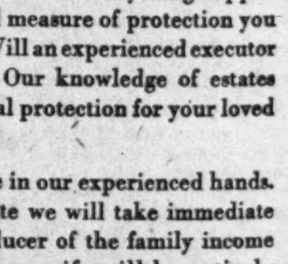
THOSE LITTLE PEOPLE OF YOURS



Yes, Sir! You have a lot of affection and money invested in these "little people" of yours, haven't you? Grand little company in your home, too; they play a big part in making it so happy for you and their mother.



You often wonder, as you watch them at play, if they are ever still. Jean and Jimmie, always on the go. Here, there and away somewhere else the next second! Now and again into the house to beg "Mummie" for something to eat.



And their mother, how she treasures those times they nestle close to her for their story-time. She wants them never to grow up. But of course they will, and you already have in mind some plans you want to carry out for them.

One plan you definitely should have is a properly thought out and signed Will to take care of your wife and these little people should anything happen to you. And, as an added measure of protection you should appoint in your Will an experienced executor — this Trust Company. Our knowledge of estates management will be a real protection for your loved ones and your estate.

Put their financial future in our experienced hands. As executor of your estate we will take immediate charge and become producer of the family income should you pass on. Your wife will be entirely relieved of the anxieties and knotty problems now involved in safely investing and protecting an estate.

Ask for our free booklet, "Orderly Administration of Your Estate"

THE TRUSTS and GUARANTEE COMPANY LIMITED
TORONTO
Calgary Winnipeg Windsor Brantford
5-41
An Executor and Trustee Since 1897

Bond Markets

Is Inflation Ruled Out For Canadian Investor?

Inflation Talk Springs From U. S. Conditions—Canada Better Equipped to Manage Price Trends Some Observers Believe

The spectre of inflation is bobbing up more frequently in American investment journals, prodded by recent rises in U.S. commodity prices, fears of inflationary wage spirals. One or two Canadian investment writers, watching the American developments, have taken up the cry.

They point to the apparent inadequacy of the American controls in stemming the price rise, to the fact that price controls are spotty, affect some commodities, leave other commodities and labor uncontrolled. Their conclusion is that the uncontrolled prices, entering into the cost structure of other items, will ultimately push up the general level.

These analysts fail to bring out two rather important factors.

First is that the United States is not yet in the war to the same extent as Canada or Britain. As an example of a developed war economy, the U.S. is a poor model.

Out of this comes the second point, that price controls are implemented gradually, as the need arises. If the uncontrolled prices held a major threat to the stability of the general level, the brakes would be quickly applied. Where acute scarcities develop, which other times would have brought sharp price rises, rationing is resorted to.

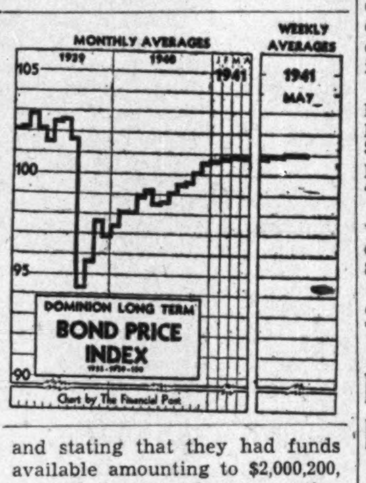
Present controls have largely removed the economic penalties of inflation, and have at the same time made it difficult to hedge against, or profit by, wartime scarcities. The investor who looks to Britain as a model of what to expect in Canada gains the assurance that while luxuries may rise in price, necessities will remain at reasonable levels. The practical answer to the problem of possible wartime scarcities is to store up buying power until after the war, when the war-expanded industrial capacity may bring lower prices for consumers' goods.

* * *

Where's the Evidence?

Up to now, inflation talk has been considerably more plentiful than actual evidences of inflation.

In its monthly letter for May, the Canadian Bank of Commerce shows how slim is the evidence to support inflation fears. According to their letter, the total supply of money was 8½% greater in 1940 than in 1939, but the level of industrial production was 25% greater. Since the increase in production was largely in non-consumable goods, a marked price rise for consumers' goods would have seemed logical.



But the rise in general prices was less than 5% on the year. Practically the entire increase occurred in the second half of the year and could be largely traced to the new taxes imposed by the 1940 budget, such as the 10% levy on imports.

Inflationary trends in 1940 were blocked by higher income and other taxes, war savings and loans, voluntary denations. The same factors are at work in 1941 in even stronger measure. If these don't work, more rigorous price controls can be put into effect.

If we were going to have a runaway inflation, it seems reasonable that its effects would now be evident. But they are not, the reason lies largely with the willingness of Canadians to save and invest in Government obligations, and the determination with which the Government has fought inflationary trends. It seems logical that unless Canadians and their Government have a complete change of heart, there need be no inflation worth mentioning in the future.

* * *

Cutting Abitibi Debt

Last week The Financial Post published a suggestion of James G. Bryce, Montreal, regarding ways of reducing Abitibi's bond debt. Now a reader finds a parallel in the case of a large U.S. corporation and writes to give his support to Mr. Bryce's suggestion. His letter follows in part:

"I was very interested in reading the plan submitted by Mr. James G. Bryce in your paper under date of May 17.

"The Interstate Power Co. (a U.S.A. concern) sent a letter to their bondholders under date of March 24, 1941, informing them of the condition of their company and stating that they had funds available amounting to $2,000,200, and offering to redeem a portion of their outstanding bonds at I believe it was 73% of face value. Bondholders were requested to send their bonds to the Manufacturers Trust Company, New York, if they were willing to sell at the stated price.

"I understand that such a large number of bonds were received by the trust company that they were bound to limit the amount to each bondholder considerably below the quantity sent in to be redeemed.

"This company, so I understand, is also paying interest regularly on the bonds.

"Using the above as an illustration, I think a very large number of Abitibi bondholders would be glad to accept a similar amount for their bonds, and I personally would send in my bonds amounting to over $20,000 and feel sure there are many people like myself.

"The proceeds received from such bond redemptions might well be utilized for making purchases of the New Victory Loan."

* * *

Bond Index

In the week ended May 15, Dominion of Canada long-term bond prices moved narrowly higher, rising from 101 on the D.B.S. index the week before to 101.1, a new high since Aug., 1939. The increase over a year ago amounted to 1.8 points.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average May 9-15	Preceding week May 2-8	Weekly average year ago
Price	101.1	101	99.3
Yield	95.3	95.6	99.6

B.C. Fish Packers Hint Ottawa "Pressurized"

From Our Own Correspondent

VANCOUVER.—West coast fishing industries, especially companies such as B. C. Packers, Ltd., are somewhat disturbed over the apparent stalemate in the salmon export situation this year.

The feeling is that some understanding will be eventually reached, but in the meantime packers and fishermen have no basis on which to fix a satisfactory price for the current season's catch.

It has been understood that inasmuch as the British price for canned salmon in 1940 would make it necessary for the industry here to operate at a loss, the Canadian Government would commandeer a large part of the export pack, ship it to Britain at whatever the British food ministry would pay, and compensate the packers and fishermen for the difference.

Hon. J. E. Michaud, Canadian minister of fisheries, has unsettled the situation by announcing that the Canadian Government has no intention of commandeering the pack at all, that the Government was merely interested in collecting data on the industry.

Coast packers believe that brokerage interests, threatened with heavy loss had the Government intervened, voiced an effective protest.

Canadian Rail Gross Up 31% Latest Week

From Our Own Correspondent

MONTREAL.—Gross revenues of Canadian National Railways System for the week ended May 14, 1941, totalled $6.1 millions. This is a gain of $1.5 million over the corresponding week a year ago, or 31.5%.

For Canadian Pacific Railway Co., gross traffic revenues of $4.2 millions for the same week this year are $1 million, or 31.9%, over the $3.2 millions reported for the same week in 1940.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Viceroy Mfg. ...	4½%	1952	July 1	103
Cons. Press. ...	6½%	1949	June 1	103
Fam. Players .	‡3½%	1942	June 1	101
Morrison Brass	•7½%	1947	July 1	101
Victoria Realty .	■6%	1948	July 2	102½
C. P. R. (note cert.)	4½%	1944	June 15	100½
Inter-C. Bak. ..	*5½%	1948	July 1	102
H. Walker-G.† .	4½%	1945	June 1	102½

Drawn by lot:
*$44,000. †$207,000.
‡$350,000. •$9,000. ■$13,500.

Stock Issues:
J. S. Mitchell .. 7% Pref. June 5 †110
†Plus accrued dividend.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

FARM MANAGER AVAILABLE

ONTARIO AGRICULTURAL COLLEGE graduate desires position as farm manager or herdsman. Reliable, total abstainer, excellent references, single. Box 83, The Financial Post, Toronto.

Abitibi Output Best Since 1937

Prorating Adds 102,333 Tons, Brings 1940 Total 105,756 Tons Above 1939

In 1940 Abitibi Power & Paper followed up its 1939 gains of 31,099 tons of newsprint with a leap of 105,756 tons over 1939. Sulphite shipments from the Smooth Rock plant jumped 16,944 tons over 1939, which in turn had registered a gain of 10,608 tons over 1938. In addition 13,542 tons of newsgrade sulphite were shipped from the newsprint mills, making a total of 75,382 tons of sulphite for the year.

Previous peak years for Abitibi were 528,181 tons in 1929, 486,524 in 1937.

Total production for the two years is as follows:

Abitibi Production

	1940 tons	1939 tons
Newsprint:		
Iroquois Falls	135,844	109,265
Sault Ste. Marie	74,449	52,896
Port Arthur	61,526	45,411
Fort William	38,671	27,867
Pine Falls, Man.	59,539	46,877
Ste. Anne, Que.	60,270	42,277
	430,299	324,543
Sulphite:		
Smooth Rock	61,840	44,896
News mills	13,542	477
	75,382	45,373

Note:—In 1940, 102,333 tons sold to other mills under prorationing; in 1939, 46,418 tons.

Prices of newsprint remained stable at $50 per ton, U. S. funds, same as in 1939, and have continued to June 30, 1941, at the same rate.

Bleached sulphite pulp (delivered at New York) increased from $50 per ton (U. S.) in 1939, to $60 for the first quarter of 1940; $61.50 for the second quarter and $72.50 for the last half of 1940. The price has held at $72.50 in the first half of 1941.

Rising output and higher sulphite prices raised sales of pulp and newsprint to $22.5 millions in 1940 from $15.5 millions in 1939. In addition net premium on U. S. funds rose to $1,458,787 in 1940 from $504,027 in 1939.

Abitibi's power sales also advanced during 1940, reaching a total of $960,040 as compared with $639,819 in 1939.

Earnings figures for the period are covered elsewhere in this issue of The Financial Post.

Retail Standards Being Drafted

Montreal Committee Working With Better Business Bureau

Standards of practice covering the entire retail field are being evolved by an advisory committee collaborating with the Montreal Better Business Bureau, it was reported to the Bureau's annual meeting last week by Claude Root, new general manager.

K. H. OLIVE

The committee consists of about 15 leading retailers. The programme calls for cooperation with principal merchandisers to evolve workable standards on such problems as comparative prices, materials and content, trade names and marks, descriptions, substandard merchandise, and "bait advertising."

Officers elected are:

K. H. OLIVE, of Olive & Dorion Ltd., president of the Canadian Commodity Exchange, Bureau president.

A. R. DUFFIELD, Montreal office of Wood, Gundy & Co., and representative on Bureau board of the Investment Dealers Association of Canada, vice-president.

A. POLLOCK, Henry Morgan & Co., vice-president.

E. H. FULLER, representing Investment Dealers Association, hon. treasurer.

Mr. Olive succeeds T. B. Weatherbee of the Canadian Bank of Commerce as president, and Mr. Pollock succeeds Mr. Olive as vice-president. Messrs. Duffield and Fuller were re-elected.

New Directors

BERNARD COUVRETTE, Montreal District Chamber of Commerce.

C. V. CURTIS, Max Beauvais Ltd.

G. P. G. DUNLOP, Montreal Curb Market, Montreal Stock Exchange.

J. D. HURT, Investment Dealers Association.

R. H. KING, Robert Simpson Montreal Ltd.

F. M. MARCOTTE, Banque Canadienne Nationale.

A. PICHET, furrier.

EDGAR TOLHURST, Vipond-Tolhurst Coal Co.

Ont. Power Load Rises 7.9%

Georgian Bay Leads With 20.9% — Thunder Bay Primary Up

Peak loads of the Hydro-Electric Power Commission of Ontario showed a rise of 7.9% in primary load for April, 1941, over a year ago, a rise of 4.5% in combined primary and secondary loads.

As in recent months, gain was most pronounced on a percentage basis in the Georgian Bay System, which showed a 20.9% rise in primary and combined loads. The Niagara System, which accounts for over two thirds of the total, continued to have largest quantitative increase.

The Thunder Bay System, second largest increase in primary load of 14.4%, showed a drop of 2% in combined primary and secondary peak loads. Owing to the temporary low level of Lake Nipigon, it was regarded as desirable to curtail sales of secondary power to conserve water reserves.

April
Maximum 20 min. peak

System Prim. loads	1941 h.p.	1940 h.p.	Incr %
Niagara	1,239,276	1,153,485	+ 7.4
Eastern Ontario	152,729	135,506	+12.7
Georgian Bay	37,799	31,267	+20.9
Thunder Bay	98,197	85,858	+14.4
Northern Ontario	204,661	199,049	+ 2.8
Total, all systems	1,732,662	1,605,165	+ 7.9
Primary and Secondary Loads			
Niagara	1,482,842	1,445,442	+ 2.6
Eastern Ontario	152,729	144,206	+ 5.9
Georgian Bay	37,799	31,267	+20.9
Thunder Bay	103,646	105,764	— 2.0
Northern Ont.	264,082	227,735	+16.4
Total, all systems	2,041,098	1,954,414	+ 4.5

Montreal Stock Exchange Names New Officers

H. MacD. PATERSON
—Blank-Stoller.

R. B. ASHBY
—Blank-Stoller.

RAYMOND ALLAN

H. MacD. Paterson, of Alex. Paterson & Co., who is to be vice-chairman of the Montreal Stock Exchange for the current year, and R. B. Ashby of Hugh Mackay & Co., newly elected secretary-treasurer. Raymond Allan, of Greenshields & Co., has been re-elected for another term as chairman of the exchange.

How the New Ruling Hits Newsprint Firms

Full Effect of 'Depressed Industry' Classification Not Clear

From Our Own Correspondent

MONTREAL. — Newsprint has been classed by Ottawa taxing authorities as a "depressed industry" under the provisions of the Excess Profits Tax Act. This means that newsprint manufacturers will be permitted "standard profit" of 5% minimum to a maximum of 10% on their productive capital.

The newsprint industry filed a brief as an industry rather than as individual units. So far as possible it is the income tax department's policy to deal with industries as units in this way.

Now the next step will be to determine what "standard profit" will be for individual companies on the basis of invested capital. This makes appraisal of what the general ruling may mean in relief for particular companies difficult. For example, it would be necessary to know what the permitted value of productive capital is to be. The best measure generally available will be balance sheet values.

It would also be necessary to know what the permitted percentage rate of return on the productive capital is to be. If 10% is to be allowed, the resulting "standard profit" would be double that available if only 5% were permitted.

Assuming 7½% Return

In the department's own ruling it is provided that companies are required to estimate their own "standard profit" by calculating the return on invested capital at 7½%, making their tax returns on this basis without waiting for rulings from the "depressed industries board."

Actually most of the newsprint companies will have made their tax returns on an estimated basis and most of them for which annual reports for 1940 are available mentioned that tax provision has been made on the minimum basis. This would mean the regular corporation income tax rate of 18%, or 20% for consolidated returns, plus 12% as excess profits tax, or a total of 30%. This does not consider provincial, or other taxes, but only Dominion taxation.

The 1941 amendments to the Excess Profits Tax Act raise the minimum rate to 22%, a rise of 10%. This, however, only applies to earnings accruing after Jan. 1, 1941.

To give some idea of how the new ruling might apply, a few examples have been worked out.

Standard Profit

	On 1936-39 average earnings basis	Based on 7½% return on capital
St. Lawrence Paper	131,000	1,125,000
Great Lakes Paper	257,000	577,500
Donnacona Paper.	21,000	160,000

Means Large Savings

While these figures can be only approximations, they are indicative of what the ruling could mean for a few companies. Changes in capital through reorganization or other reason have been so common in this industry that a wide range of examples is hard to find.

Assuming that these figures are indicative of the change in "standard profits," then it may be roughly calculated that the higher "standard profit" means that the amount of earnings by which this base exceeds actual average for 1936-39 will be exempt from excess profits tax.

For St. Lawrence Paper it would mean at least 12% on just under $1 million for last year and 22% for 1941. For Great Lakes Paper it would mean no excess profits tax on $320,000 and for Donnacona Paper an additional $140,000 exempt from excess profits tax.

Dom. Revenue Nearly Double

Revenue of the Dominion Government was nearly doubled in April over the same month last year, monthly reports of the Treasury show, increasing from $40.3 millions to $78.5 millions. Expenditures of $74 millions were more than twice the $35.5 millions reported for April, 1940.

In the first month since May, 1940, a surplus was shown. Revenue exceeded expenditures by $4.4 millions, compared with a surplus of $4.9 millions in April last year.

War outlay of $48.8 millions, while more than four times expenditures for this purpose in the same month last year, was nearly half that of the fall and winter months.

Revenue and Expenditure
April

Revenue:	1941	1940	Change
	—In $000's—		
Customs	10,143	8,543	+1,600
Excise duties	7,186	6,616	+570
Excise, sales tax .	15,052	6,968	+8,084
Income tax	42,426	14,923	+27,503
Post office	3,000	2,600	+400
Sundry	648	699	—51
Total	78,455	40,349	+38,106
Expenditure:			
Ordinary	24,964	25,002	—38
War	48,758	10,357	+38,401
Capital	124	16	+108
Relief works, etc...	135	113	+22
Govt. enterprises .	66	......	+66
Total	74,047	35,488	+38,559

Newsprint Use Up 3.7% in U.S.

Stocks of Newsprint Above Last Year But Current Trend Down

From Our Own Correspondent

MONTREAL.—Total current consumption of newsprint by all U. S. publishers amounted to 331,735 tons in April this year, according to the Newsprint Association of Canada. This is slightly below the March level of 258,518 tons, but it is an increase of 15,848 tons, or 5.0%, over April, 1940, and compares with a corresponding gain of 2.9% in March. Cumulative increase for the first four months of this year over last year is now 3.7%.

U. S. Newsprint Consumption
(All Publishers)
Apparent Total: All Publishers

	1941	1940	1939
January	297,282	282,649	272,938
February	283,780	279,554	257,176
March	334,435	325,057	297,561
April	331,735	315,887	308,132
May	......	333,202	299,930
June	......	312,599	290,279
July	......	267,675	256,640
August	......	275,636	266,563
September ...	......	308,119	308,965
October	......	337,682	333,189
November ...	......	325,300	311,175
December ...	......	331,224	329,427
TOTAL	......	3,694,634	3,531,975

4 months totals — 1941: 1,247,232; 1940: 1,203,147. Increase 3.7%.

Stocks of newsprint in the hands of publishers reporting to the A. N. P. A. increased 5,099 tons in April in 302,267 tons at the end of the month. The corresponding totals for 1940 at the end of April were 280,999 tons and for 1939, 243,750 tons.

Publishers' Stocks Up

Apparent total of newsprint in the hands of all publishers in the United States at 499,959 tons shows a small decrease from March, but is still almost 150,000 over the total for April in either 1940 or 1939.

Offsetting the increase in newsprint stocks held by publishers is the decline in stocks held by manufacturers. Stocks held by Canadian manufacturers declined about 6,000 tons to 180,389, well below those at the end of April in either 1939 or 1940.

Apparent Total North American Stocks

End of	1941	1940	1939
January	772,235	705,267	644,826
February	782,139	715,308	657,156
March	780,755	685,001	660,108
Apr. (prelim.)	767,225	667,605	651,934
May	......	669,642	650,203
June	......	681,079	655,768
July	......	739,172	678,391
August	......	788,000	695,489
September ..	......	790,748	694,323
October	......	790,687	703,770
November ...	......	786,924	722,041
December ...	......	755,478	683,715

B. C. Pulp Firms Helped By New Tax Ruling

From Our Own Correspondent

VANCOUVER. — Classification of the pulp and paper mills of Canada as a "depressed industry" is expected to assist the British Columbia companies. Now their provision for excess profits taxes will not be so onerous as at first contemplated.

B. C. Pulp & Paper Co., which has had moderate prosperity during the past 15 months after several years of slump, will be one of the principal beneficiaries. This company set aside $850,000 to meet taxation requirements, and it would appear that this item can now be substantially reduced.

To a lesser degree Pacific Mills, Ltd., Powell River Co. and Westminster Paper Co. will also be favored.

Pulp and paper production maintains a high level in British Columbia, with the U. S. market the principal. Domestic sales have also been well kept up.

Westminster Paper Co. annual report shows sales were considerably higher last year, but net profits reduced owing to rising cost of raw materials.

Net profit was $70,385, or $1.47 per share, compared with $2.97 the previous year.

President J. J. Herb announces the company is proceeding with expansion and renovation that will give Westminster one of the most modern plants in Canada.

Wartime Housing Extended in N. S.

Further operations in the Maritimes and at the head of the Great Lakes are being initiated by Wartime Housing Ltd., Government company set up to relieve housing congestion in active war areas. Contract for 240 houses at New Glasgow, N.S., to cost approximately $400,000, has been awarded Eastern Woodworkers Ltd. Construction of 50 dwellings and two staff houses at Fort William is to be started shortly.

March Exports Of Pulp High

From Our Own Correspondent

MONTREAL. — Final figures on imports of pulpwood and wood pulp into the United States in March, 1941, show only two sources of supply, Canada and Finland.

Pulp was by far the largest item in Canada's trade in these two categories. Exports from this country to the United States of mechanical pulp were valued at $326,656 in March. Chemical pulp shipments, both bleached and unbleached, totalled $4.5 millions. Finland, only other country to appear in the trade statistics, shipped $218,128 of all kinds of pulp.

Pulpwood imported into the United States came entirely from Canada in March. Rough pulpwood valued at $16,687 and peeled or roffed pulpwood valued at $554,189 appear in the trade statistics.

Celluloid-Celanese Merger Advances

From Our Own Correspondent

MONTREAL. — Shareholders of Celluloid Corp. have voted approval of amendments to that company's charter which would permit it to merge with Celanese Corp. of America. A vote on the merger itself, however, is delayed by an injunction obtained by dissenting stockholders prohibiting legal filing of the amendment.

Actual hearing on this injunction is to be held in Newark, N.J., on May 20 and a meeting of the Celluloid Corp. stockholders has been adjourned to May 29.

N. S. Timber Cut Expected to Drop

From Our Own Correspondent

MONTREAL. — Declining export trade in lumber and forest products generally has more than offset the peak demands from local sources in Nova Scotia. This year's cut, it is estimated, will be about 25% under last year's near record total of 536,635,000 board feet.

All divisions show reductions with pitprop exports to Britain entirely stopped and sale of pulpwood for export disappeared.

What probably amounted to an all-time record was set in 1939-1940, when 369 million board feet of long lumber was cut, 41% greater than in the previous year.

Mexican Airplane Contract Dropped

Termination of the contract under which Canadian Car & Foundry Co. have been managing the Mexico aircraft plant of the Mexican Government is announced by Donald Ellis, assistant comptroller of Canadian Car. Difficulty of obtaining American supplies is reported the reason. No planes had been turned out by May 15, date the contract terminated.

Mr. Ellis stated the step was taken due to circumstances beyond the control of either party; that relations with the Mexican Government are most cordial; that termination was by mutual consent.

Lumber Exports Decline Sharply

Britain Taking Much Less — B. C. Mills Hit

From Our Own Correspondent

VANCOUVER. — Drastic curtailment of export business to the United Kingdom and other Empire markets has presented the west coast lumber industry with another major marketing problem this spring.

Censorship has been applied to figures showing month-to-month volume of lumber shipments overseas, but it is no secret that the traffic has been sharply reduced, due in part to the growing shortage of ocean tonnage, diversion of ships to other routes, increased production of lumber in the British Isles and a tendency on the part of the British Government to place lumber lower on the priority list.

Loss of this business is more serious than would otherwise be the case because of the dependence on the United Kingdom market that has prevailed here for the past six or seven years and increased since the war by Britain's desperate need of lumber stocks last year to replace the loss of Russian supplies.

On Export Base

Many of the largest sawmills in the province have been developed on an export basis with a view to expediting production of the lumber preferred by the British market. It will not be easy for them to readjust their productive facilities to meet requirements of other markets.

Just what those other markets will be is still a matter for speculation, but it seems obvious that the lumber operators will have to rely more and more on Canada and the United States to take in the slack resulting from the slump in overseas sales.

In the past B. C. lumber has found new outlets soon after an old one has temporarily disappeared, but almost invariably there is an interval of depression and that interval now seems due again.

In the last war loss of the overseas market had little effect on the lumber trade here because in those days the major market was domestic. In the early 20's the Japanese market became important, to be replaced by the United States. The American market was the biggest of all until a succession of high tariffs brought in during the Hoover regime made sales to that country virtually prohibitive.

Then came the Empire tariffs which by the middle 30's had become the dominant factor in B. C. lumber business. Last year more than 50% of all the province's lumber production went to Empire consumers. Reduction in that demand is thus the most serious thing that could happen to the industry.

B. C. mills are not the only ones to feel the pinch. A 50% curtailment of production is said to threaten mills in Washington and Oregon due to lack of ships.

NORTH BRITISH
SUPERCHARGED

For EXTRA Length!
Perfected Product of Scottish Skill

The super-charged semi-liquid core of North British Balls expands internally after manufacture ... increasing tension which puts extra yards on your drives!

An exclusive process of cover welding ensures perfect balance and flight. Top-spin, back-spin—North British Balls respond to every touch.

NORTH
IMPORTED FROM SCOTLAND
BRITISH
North British Rubber Co. Ltd.
284 King St. W. Toronto, Ontario

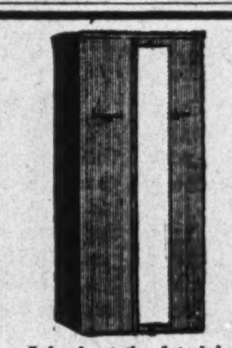
CUT CONSTRUCTION COSTS!

FOR INDUSTRY
Speed the work of plant expansion with • J-M Built-Up Asbestos and Asphalt Roofs • J-M Roll Roofings • J-M Insulating Board • J-M Asphalt Tile Flooring • J-M Rock Wool Insulation • J-M Asbestos Wall Boards • J-M Acoustical Service and Materials for every requirement.

JM JOHNS-MANVILLE
Building Materials

FOR THE HOME
Modern materials that protect against fire, weather and wear. J-M Cedargrain Asbestos Siding Shingles • J-M Asbestos and Asphalt Roofing Shingles • J-M Rock Wool Home Insulation • J-M Asbestos Flexboard and Wainscoting • J-M Decorative Insulating Board products.

CANADIAN
JOHNS-MANVILLE CO., LIMITED
Mine and Factory - Asbestos, P.Q.
TORONTO MONTREAL
WINNIPEG VANCOUVER



Ask about the Interlake Vertical Dispenser

Your Washrooms will be better —and your towel costs less—with
Interlake
PAPER TOWELS
INTERLAKE TISSUE MILLS CO. LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER

Have your STATIONERY and PRINTED FORMS
printed on
CHENEAUX
BOND
AN EDDY PRODUCT

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

The Editorial Page . .

Do Such Men Speak For Labor?

The foreign organizers sent in by C.I.O. unions to disrupt production in Canadian war industries, make a great pretense of speaking on behalf of Canadian "labor." They are very brilliant in their propaganda. The result is that the average person is inclined to sympathize with C.I.O. union propaganda, lest, by withholding their support and sympathy, he show himself unfriendly to the working man.

These organizers are in no sense representative of Canadian workers. They obtain support by threats, violence and gangster methods. Typical was the "election" held in an American plant by a group of C.I.O. organizers the other day. Two separate ballot boxes were provided, one for those who voted for the union and another for those who voted against it. The box for the "yes" votes was set up in a gin parlor and free drinks were provided for all those who voted in favor of joining the union. The other ballot box, for those who preferred not to have the C.I.O. gangsters represent them, was set up in a lonely lot at the back where a squad of thugs were set to menace the workers and take note of their names. Was it any wonder that the vote was overwhelming—4 to 1 in fact—in favor of unionization of that plant? So overwhelming was the vote that out of 4,000 workers no less than 6,000 ballots were found in the "yes" box!

Let a Canadian labor paper itself speak. The Labour Review, published by the Canadian Federation of Labour, says that the attempt to make drastic changes in the nation's economy, simply because such changes are being made in another country that is not at war, is not going to hasten victory and is not going to benefit Canadian workers in the long run. It adds:

"The organizing tactics of the United States unions now clamoring for bargaining rights on behalf of Canadian war workers are the tactics developed in the last decade by the Communist Party. The general procedure is to prepare a set of 'demands' and then to urge the workers to join the union in support of these 'demands,' which are virtually promises. Regardless of how many workers rise to the bait, the 'demands' are presented to the industry on behalf of all the workers. The public mediation services provide the machinery to take a ballot and 'prove' the representative character of the union. There can be no effective resistance when the industry affected is pressed into compliance by the national interest that has requisitioned its output. Wages and prices in one industry after another are jacked up to new levels. The workers who share in the cash results of this extortionate procedure will discover, too late, that their cash buys less than before and that the only beneficiary is the union's distant treasury."

Isn't it about time that Canadians awakened to the fact that the C.I.O. organizers active in Canada are much more interested in winning victories for their own pocketbooks than in winning victory for the democracy in this war; that they are deluding the workers and being supported by the Dominion Government in the effort; that the demands that they are making threaten to destroy the foundations of Canada's non-inflationary war policy; that the public is being victimized and workers themselves are being victimized by a group of unscrupulous exploiters of the national and world emergency?

Why the Delay?

Six months ago the Government directed W. N. Tilley, K.C., leading Toronto lawyer, to investigate the construction of the $3 millions Dartmouth Airport project.

Speaking in the House last week, Air Minister Power intimated Mr. Tilley had withheld his report pending a personal visit to the airdrome. This visit had been made, said the Minister, and "there is every expectation that he will make his report within a few days."

The Government should get the report and make it public without further delay, or else explain why it takes so long to clear up the matter. If Mr. Tilley's findings are not in soon, it will be too late to table them at this session of Parliament and the matter could easily be sidetracked by the time the House meets again.

Enough has already come to light to call for early disclosure of full facts concerning the project. Some of the charges date back to 1938-39 and were aired in the election campaign early last year. Others developed more recently and led to Mr. Tilley being commissioned by Air Minister Power to enquire into the affair.

Opposition queries have brought out the fact that on one contract for grading and runways, held by Acadia Construction Co. of Halifax, outlay will run $374,000 over the original cost estimate of $650,000. Beyond a statement that the original contract of Oct., 1939, was replaced by a revised one in Jan., 1940, no reason was given for the extra cost.

Information tabled in the House also listed among directors of the Acadia firm one R. R. Collard. The Canadian Almanac for 1941 lists a Group Capt. R. R. Collard as director of works and buildings for the Air Force Branch, Department of National Defense. Among the questions the Tilley report might suitably answer is what is the significance, if any, of this coincidence.

The Financial Post's Platform For War

1. Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.

2. An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.

3. Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.

4. Pay-as-we-go policy to the very limit consistent with an all-out war effort.

5. Elimination of wasteful spending by public bodies or private individuals.

6. A national programme to deal with post-war employment and relief problems.

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Education in Ignorance

"Turning to domestic affairs, Mrs. Steeves indicted 'the present system in Canada.' The taxation structure is based, she declared, on the 'poor people paying for the war.' She used a Financial Post article to postulate that industry, particularly the armament producer 'hasn't felt the excess profits tax at all' because the 'profit in 1940 was so much increased over 1939.' The shareholders, she declared, 'are getting an average return on capital of 15 per cent.'"

The quotation is from the Kamloops Sentinel report of a meeting addressed by C.C.F.'er Mrs. Dorothy G. Steeves, M.L.A. for North Vancouver.

The theme of Mrs. Steeves's address was "Educate and organize the public; the C.C.F. movement's greatest enemies are ignorance and prejudice."

Mrs. Steeves did a fair job of increasing the public's ignorance. The Financial Post has indeed analyzed the earnings of Canadian industry. But the figures we published showed an increase in profits in 1940 over 1939. On the other hand, they showed an average increase in the taxes of 130 companies of 150% and a decrease in net profits of 2.016%.

Published in Mrs. Steeves' home district, the Vancouver Sun draws somewhat different—and more honest—conclusions from The Financial Post's figures. They show, it says:

"The facts are that most companies with large war contracts are making less profits than they did before the war began . . .

"A few industries unquestionably have made more money, but the Government has found means of getting its share of these gains. Though a company may pay a substantial dividend to a shareholder, the shareholder must meet a drastic income tax. And if any proof is needed to show that our Canadian industries are not profiteering it is to be found in the stock market. Instead of a boom in stocks, and mounting stock prices, we find the stock market down on an average of fifteen per cent at the end of 1940 as compared with 1939."

Mr. Hepburn Should Speak Out

It would take a clairvoyant to discover what is in the mind of Premier Hepburn of Ontario in respect to income taxes. He has skillfully dodged revealing his real views, by saying that it is a matter for the Legislature to decide. But on many occasions in the past Mr. Hepburn has announced the policy of his government before he bothered to summon the Legislature together to approve that policy. If Mr. Hepburn said that it was his intention to save the taxpayers of Ontario from the gross injustice of double taxation of private and corporate incomes he would offend neither the people nor the Legislature. Mr. Hepburn must know that he would receive overwhelming endorsement for a policy of co-operation with the Dominion in war finance.

Mr. Hepburn has no doubt concealed his hand for purely strategic reasons. Perhaps he has a counter-proposal to offer; perhaps he intends to maintain the personal and corporation income tax and to use the lush revenues they bring to achieve tax reduction in some other direction.

Whatever may be in Premier Hepburn's mind, his delay in revealing it is inexcusable. It is causing great concern to the citizens of Ontario and is disturbing to business.

He cannot, on any grounds of injustice or equity, stand aside from unreserved acceptance of the taxation proposals of the Minister of Finance. The Dominion income tax on private incomes, and the minimum Dominion company earnings tax of 40%, represent a burden so heavy as to represent near-confiscation in many cases. If Ontario is to continue to levy a second income tax on top of the towering Dominion rates, and if it is to continue to collect an additional 5% on company earnings, Mr. Hepburn's Government will be guilty of an act destructive of the prosperity and security of his province.

Mr. Hepburn's silence gives rise to the suspicion that he does not intend to co-operate, either with the Dominion in war finance or with his own taxpayers. The sooner he quiets fears on that score the better. To suggest that his policy cannot be announced in advance of a vote by the Legislature which he controls through a very large majority is not convincing.

Editorials in Brief

Canada's 120 millions bushel sale of wheat to Britain last week is merely a partial confirming order of current business. As a matter of fact this country expects Britain to take more than this amount of wheat during the present year. At the rate of recent record wheat exports, which, of course, may not be continued, we would sell the Mother Country something like 300 millions of wheat in the next 12 months.

* * *

Minimum butter prices this year have been fixed at a sliding scale ranging from 29½ cents to 35 cents per pound. This is an increase of 30% over a year ago but in fairness to producers it should be pointed out that even the maximum price now fixed is far below the 56¼ cent peak reached during the first Great War period and it is equivalent only to the average price for the years 1926-30.

* * *

Day by day the Vancouver Sun presses its campaign to induce the B. C. Government to curtail provincial expenditures so that taxpayers may be able to meet the demands of the Dominion for resources to pay the war bills.

Says Bruce Hutchison, brilliant Sun writer:

"It will be a grim irony indeed if, under the guise of a patriotic war arrangement, the provincial governments simply take the federal money and maintain their old standard of living, while everybody else in the country is trying to save for the war. The taxpayers can see that this doesn't happen by keeping their eye on one thing, and one thing only—the total expenditures of the provincial governments...

"Let us watch what they spend at Victoria and judge the Government entirely on that score...Every dollar spent at Victoria is a dollar less that can be spent by the Government at Ottawa on the war, and it is a dollar more taken from you, the taxpayer, even if it is taken invisibly..."

* * *

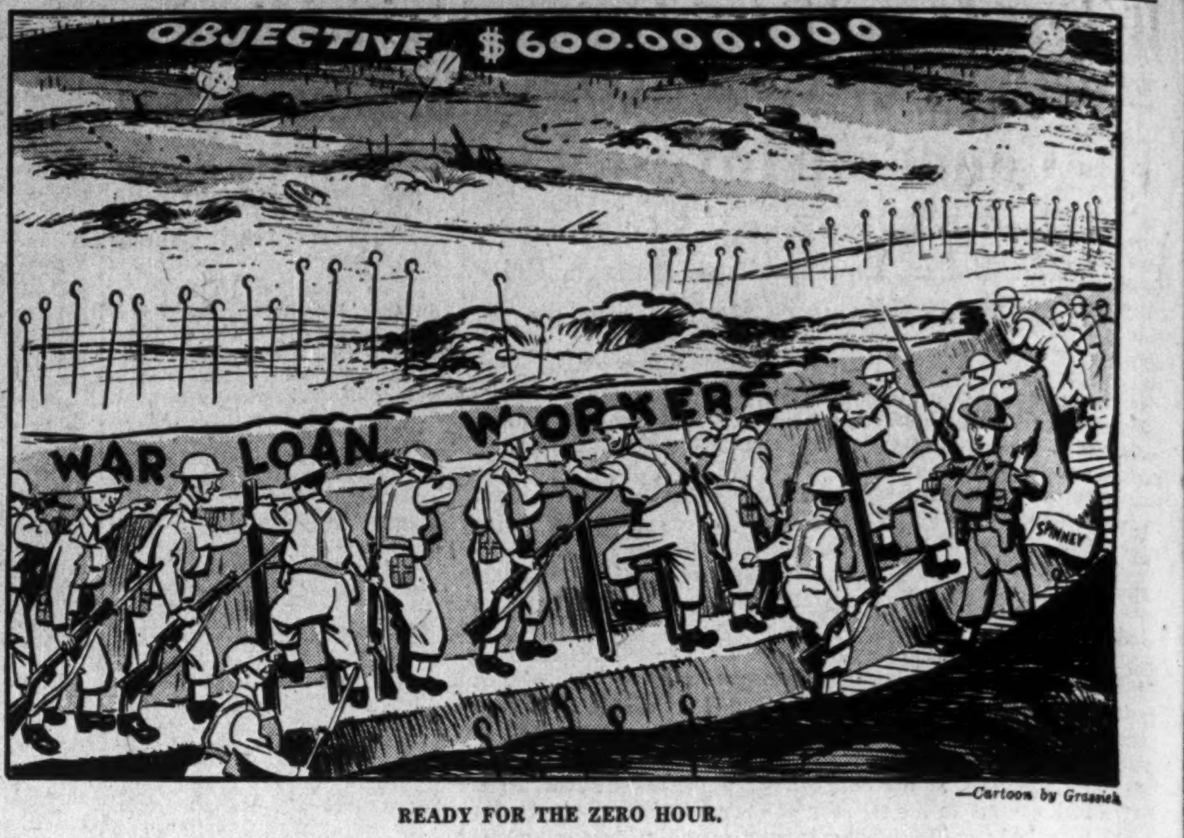
Representatives of twelve U. M. W. locals in Cape Breton have endorsed a policy of "curtailed production" in the collieries "as a protest against existing wage and working conditions."

Already, it is stated, this policy is being followed in certain mines "with a reported production loss daily of approximately 50 per cent."

Well indeed may the Halifax Herald comment:

"The duty of the governing authorities in this case is plain and imperative. Let Ottawa go to the bottom of this dispute, without fear and without favor, and make public declaration of its findings at the earliest possible date. If the men are not getting a square deal, the public should know it and Ottawa should act. If they are getting a square deal, then by curtailing production they would be doing a grave disservice to the cause for which this country is fighting.

"Canada does not countenance 'civil war' at home."



—Cartoon by Grassick

READY FOR THE ZERO HOUR.

Post-Scripts . . . .

No Dull Moments

If any one in Canada has a more exciting life than H. G. L. Strange of Winnipeg, he should rush to a publisher at once. Major Strange has written his autobiography, ably "ghosted" by his author-wife, Kathleen Strange, and it is a story that will probably be read around the world as a tale of adventure in many lands and achievement in many callings.

Harry Strange is now head of the research department of the Searle Grain Company and as such he helps farmers to grow more and better wheat and try to find a market for it. But nothing in the first half of Strange's life ever foreshadowed his ultimate rôle of grain expert. As he tells the story in the aptly-named "Never a Dull Moment," he was born into a comfortably well off home in England but was sent to school in France, where his most formidable adventure was catching President Carnot in a little poaching on a private game preserve. On his father's death, Harry was apprenticed as a fitter in an engineering workshop. In time he worked on heavy naval guns (and once, years later, ran across a gun on a ship in Honolulu, bearing his initials).

* * *

The Boer War took Strange to South Africa where he met Botha, Kitchener, Birdwood and Ian Hamilton. The war over, Strange struck out for Canada but passed the Prairies by, as news of the gold rush to the Klondyke reached him. Near Atlin, with a group of undying sourdough characters, he mined a claim on Spruce Creek. There is a touch of Jack London and Rex Beach in the yarns Strange spins of his gold-mining days. Strange was happy in this hard, unyielding land but he took the advice of older hands and pulled out before the North "got" him. Well padded with Yukon gold dust he loafed in Hawaii until another curious turn of fate made him general manager of the Honolulu gas works.

The Great War beckoned Strange across two oceans. He joined the Royal Engineers and became a member of that exclusive band of dangerous-living men—the "Special Brigade," who invented and used dozens of new types of weapons and who specialized in gas warfare. Too few men who lived through the ferocities of the last war ever either felt the inclination or had the ability to tell just what war was really like. Major Strange tells the story simply and with neither braggadocio nor excessive niceness. Some of his adventures were incredible but he survived them. His doctor would not allow him to go back to Hawaii and so he returned to Canada where a quarter of a century after he set out for a Prairie farm he finally reached one. Within three years Strange had won the most coveted honor any western farmer could achive—the World's Championship for wheat (and incidentally for peas) at Chicago. He became president of the Canadian Seed Growers Association, turned down politics, but became a "dirt farmer" speaker of note. That led him into his present work.

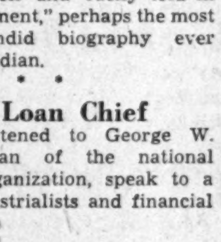
Mechanic, engineer, placer miner, gas manufacturer, major of engineers, dirt farmer, wheat king and farm research expert! All is well and racily told in "Never a Dull Moment," perhaps the most fascinatingly candid biography ever written by a Canadian.

Harry and Kathleen Strange

* * *

Victory Loan Chief

Those who listened to George W. Spinney, chairman of the national Victory Loan organization, speak to a group of 700 industrialists and financial men in Toronto last week, heard an address of almost classic quality. Mr. Spinney uses no rhetorical flourishes. He speaks quietly, almost conversationally, but with a poise and confidence that few bankers can bring to the public platform.



G. W. SPINNEY

It was not so much the delivery as the content of his address that held his large audience. Mr. Spinney has a knack for boiling down a host of figures into one or two essential, dramatic facts that seem to tell the whole story. He mixes them with skilful phrases and apt quotations that make his factual story colorful and moving.

George Spinney has come a long way since he entered the service of the Bank of Montreal as a junior clerk. It is less than 20 years since he was private secretary to the general manager, then Sir Frederick Williams-Taylor. Now he is joint general manager of the bank. But for the past three months he has not been near his own desk; he has been in Ottawa organizing a staff of 25,000-30,000 workers to handle the biggest financial operation in the history of Canada, the $600 millions Victory Loan.

As zero hour for this campaign approaches Mr. Spinney is as calm and confident as a Churchill.

* * *

Our New Movie Czar

J. J. Fitzgibbons, new president of Famous Players, is the man behind the screens in about one third of the motion pictures that Canadians will see this year. "J. J.," for John Joseph, has been in the motion picture business since its infancy and his own.

J. J. FITZGIBBONS
—Blank & Stoller.

Born at Meridan, Connecticut (the "Silver City" to locals), his parents owned the "Delavan Opera House." This seemed old-fashioned in comparison with the rising flicker industry, and young Fitzgibbons decided to be a projectionist. In those days such a man had to be something of a mechanic, a chemist and often a fireman.

From projecting films John J. Fitzgibbons graduated to ownership, with three Long Island theatres which he developed shortly after returning from war service in 1919. His Long Island theatres flourished and in 1926 he and his cinemas moved in with Paramount. His first job there was directing the then small New York State circuit.

Meantime a boom had been developing in Florida and Paramount turned its rapidly growing energies southward. Southern Enterprises, and its theatres in the South, were acquired, and Mr. Fitzgibbons's new headquartetrs became Jacksonville, Florida, and Charlotte, N.C. From these two centres he shepherded the expansion of the new chain. The growth was rapid.

While Miami grew from a population of some 40,000 to 200,000 in two or three years, Paramount built seven new theatres, acquired others by purchase or exchange. In Lakefield five theatres were built almost simultaneously. The boom went flat and two of the five never opened. Followed the hurricane and eleven of Paramount's theatres were destroyed.

From the south Mr. Fitzgibbons came north again to manage Paramount's New England division, and in May, in 1930, came to Canada as director of tneatre management of Famous Players. In 1936 he became vice-president, and moved to the top just the other day.

J. J. Fitzgibbons does not regard the Florida interlude as the most spectacular phase of his career. He feels that the part played by the moving picture exhibitors in the war savings drive ranks well ahead of any stories that come from the Florida boom.

In the war savings drive exhibitors donated their theatres and the salaries of their help for an evening, while distributors gave the use of films, all absolutely free of cost, to the Government. Movie goers bought one war savings stamp apiece to see the presentation, took their stamps home afterward. Nearly 700,000 Canadians acquired stamps on this night, many for the first time. The importance of the job the movie men accomplished, and the sacrifice made by them at a time when profits were small, seem more dramatic to Mr. Fitzgibbons than stories of boom or hurricane.

* * *

Old Canadians Help

Years ago Sir Edward Peacock, noted British financier, used to sell bonds in Ontario. Last week he returned to his native province to start the ball rolling on a $600 million flotation, the coming Victory Loan. Sir Edward entered his business career here as private secretary to E. R. Wood, president Central Canada Loan Co, and director of a score of other Canadian companies.

At the Victory Loan dinner in Toronto last Friday Sir Edward brought a first hand account of the war work of leading Canadian residents of Great Britain.

"First," said Sir Edward, "comes Lord Beaverbrook, a man of outstanding ability and drive, with more than a touch of the Hebrew prophet, and something of Puck in his make-up, always a challenging, enigmatic figure. Until the other day he was putting all his energies into aircraft production, now he has gone to a more exalted place.

"Our own R. B. Bennett has been working with him and finding time to direct the English Committee of the Canadian Red Cross as well, and as you would expect, he does it all with vigor and success.

"Then there is Ernest Cooper, brother of our Colonel John Cooper, one of the ablest industrial organizers in Great Britain; chairman of Gillette Industries. He spends his time at various industrial works helping to keep them up to concert pitch, to indicate improvements in organization, and generally to oil the wheels and speed the work. Incidentally, in the early days of the war he moved his company to give 10,000 pounds to the Beaver Club, the centre for Canadian soldiers in London.

"Jack Bickell is getting the planes over from Canada and the United States, overcoming all sorts of difficulties in having them delivered—cursing a bit now and then but always with a smile near the surface.

"Beverley Baxter, member of Parliament, and clever writer, now goes from factory to factory encouraging and informing the workers."

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager.

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2

JOHN BAYNE MACLEAN, Founder and Chairman.

HORACE T. HUNTER, President.

H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.

Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.

Montreal: Dominion Square Building. Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

London, England: Sun of Canada Bldg., 2, 3 and 4 Cockspur St., S.W.1.

Other People's Views . . . .

The Canadian Editorial of the Week

Stamp Out This Lie
Montreal Star

It was thought here that the vicious story that Canada was demanding and getting cash on the barrelhead for all war supplies provided to Great Britain had finally been quashed. But it has cropped up again. Official steps should be taken at once to prevent its use as an adverse propaganda weapon in the United States.

The latest repetition of the slander was made by Kathleen Norris, the novelist, before a recently-formed American organization called Women United. In New York, Mrs. Norris had this to say:

"We do not feel this is our war any more than does Canada, who is getting cash for every bullet and every can of peaches sent to Great Britain. Whose cash?"

Her audience is reported to have broken into loud applause at this moment, as though she had scored a decisive point.

The statement is the measure of the sincerity of the subversive groups springing up in the United States, if not under the leadership of Lindbergh, Senator Wheeler, and others, at least with their connivance and encouragement. So far as their activities affect this Dominion, counteraction should be taken against them without delay.

It would be charitable in this case to think that Mrs. Norris had merely outlived the brilliance of her mind, but in her further statements there is evidence that she is carrying on a deliberate propaganda campaign without regard for the truth—which places her group in the Nazi class. The best that can be said for Mrs. Norris is that she lied unwittingly and was ill-informed. Even that assumption places under suspicion the organization she represents, and others like it, in which intellect gives way to emotion and hysteria.

A detailed answer could be made to Mrs. Norris' assertion. It has already been made by Premier King, in his speech in the House of Commons on March 25. But, in view of the fact that Mrs. Norris's statements, and others from more eminent Americans, charge us with greed in our relations with Great Britain, a further answer should perhaps come from the British Embassy in Washington.

* * *

The Mail-box

Tourists Offer Hints

Editor, The Financial Post:

Your editorial asking people to contribute to the comfort and pleasure of tourists compels me to suggest that some effort should be made to improve the conditions along the main highways such as King's Highway No. 2.

In Ontario I believe that the Health Department inspects and any place from Windsor on most of the comfort stations, especially the gasoline stations, are clean and attractive places. But when entering Quebec province toward the City of Quebec, our experience has been that it is difficult to find many places with facilities that tourists should find when guests of another country.

I have spent my summers for over a quarter of a century in Canada and realize that there is a lot to be done to create more pleasant conditions.

F. C. HOLMES,
San Juan, Puerto Rico.

* * *

Editor, The Financial Post:

The following was sent to me by an American friend now visiting in Canada.

"I spent one summer in Montreal. One can drive miles and miles and never find a decent place in which to eat!

"My summers in Canada have not been successful. I've had two but I'll not have three. I am not a gourmand but one of the amenities of a vacation is to find attractive wayside eating places."

C. A. VANDYCK.
Chicago.

* * *

As Others See Us

Canadian Cooking
Fort Erie Times Review

Emphasizing its belief that people travel usually because they want a change of some kind — atmosphere, scenery, people, customs or food—The Financial Post protests against hotel and restaurant menus here so often featuring chicken a la Maryland, Virginia ham, baked Idaho potatoes and other typically American dishes which visitors from the United States can get easily in their own country. Our contemporary asks, "Why can't we, for instance, feature more strongly such things as fried chicken habitant style, French-Canadian pea soup, Prince Edward Island potatoes, Scotch kippers, English-style roast beef, Canadian lobster, etc.?"

The very fact that two of the six items cited are not of Canadian origin suggests the answer to The Financial Post's question. The dismal truth is that culinary art in this country has created practically nothing that could properly be regarded as typically and inherently Canadian. Almost all our most popular dishes are derived from Great Britain, the United States or France.

* * *

Canadian Airways
Summerside (P.E.I.) Journal

The following is taken from The Financial Post of Toronto, one of the leading financial papers of Canada, and enunciates the feeling of Prince Edward Island almost as fully as if expressed by an Islander. This indicates the general good feeling in this country toward Canadian Airways and the work which they are doing:

The service provided by Canadian Airways was never questioned. On the other hand Halifax has protested long and loudly because the T.C.A. terminated at Moncton. The city's "prestige" was involved, apparently. Seemingly it was politically expedient to meet this demand, war or no war. The air-mail contact was transferred to T.C.A. The economics of the move do not seem to have influenced the Postmaster General's decision.

It is hard to see how the capital expenditure involved in replacing Canadian Airways service can contribute to the war effort. And it does not seem to be good business for Canada to destroy its pioneer airlines one by one to put all our commercial flying eggs in one government basket, at all times subject to political influences.

* * *

Sayings of the Week

"A Government by popular consent can seldom rise above the ignorance, self-interest and confusion of the people who elect that Government."—*Controller Nora F. Henderson, Hamilton.*

* * *

"Let me tell you all, there is nothing unreal about this war—it's a fight to the finish, and Canadians need to have that said to them just as much as anybody else."—*Defense Minister Ralston.*

* * *

"We fight because we are not cowards and because we intend to defend our mothers, our wives, our children, our faith, our language, our soil, our savings. We fight to prevent our moral and economic ruin. We fight because notwithstanding the preachings of a deceitful and sly enemy whose every interest it is to lull our well-founded suspicions, Canada and the whole North American continent are directly threatened."—*Rt. Hon. Ernest Lapointe, in radio address to French Canada.*

* * *

"Nothing more sensational and bizarre could have happened (the Hess affair), short of the appearance of Hitler himself with a formal proposal of marriage with Queen Mary." — *J. V. McAree, Globe and Mail columnist.*

* * *

"You are not being asked to fight for Britain with your factories and your skill, just because you love the English. For all I know you don't. You are really being asked to fight, as we are fighting in Australia for the decent, suffering, ordinary people." — *Prime Minister Robert Menzies before an American audience.*

* * *

"What Canada is doing and sacrificing we can appreciate more deeply as we ourselves begin to act and sacrifice. Before our eyes Canada is raising a standard 'to which the wise and the just may repair.'"—*Schuyler Baldwin Terry, New York, in a letter to the Montreal Star.*

* * *

Stop Me If . . . .

The latest story about Nazi officialdom tells of a party leader who had just purchased a pretentious country home, which according to the town paper cost 75,000 marks. One morning the occupant found, pinned to the main door, a card which read: "Where did you get the 75,000?"

The irate victim offered a reward of 1,000 marks to the one who uncovered the perpetrator of the deed.

Next morning, however, another card was pinned to the door which read: "Where did you get the 76,000 marks?"

What Has War Done to Farm Pocketbook?

Farm Prices Now 25% Higher, But Still Below 1926 Period

By GORDON LINDSAY SMITH
Staff Writer, The Financial Post

A new sliding minimum price for butter and a $35 million subsidy for wheat acreage diversion brings farm prices once more into the spotlight.

City people with but dim recollections of practical agriculture wonder where their fellow citizens along the concession lines stand now.

As always in an industry which produces everything from basic raw material to completely finished products, and in many cases on the same establishment, it is impossible to render a one-word appraisal of economic conditions. There are far too many people—about a third of Canada's total population—and far too many diverse lines and factors involved, but certain definite facts do stand out. These can be summarized as follows:

Recent Trends

1. Farm prices have risen close to 25% since the period immediately prior to the outbreak of war, i.e., June, 1939.

2. Certain lines like dairy and livestock products have risen a great deal higher than the general average, but recent expansion may be bringing these close to saturation point.

3. Despite these rises since the war, the general price level is still 30% below the level of 1926.

4. Farm labor and machinery costs have risen sharply since the outbreak of the war and farm labor, due to competition from new war factories, may soon be almost unobtainable.

These are the salient facts brought out in the accompanying table. Not shown in that table are average farm cash returns as compiled by the Dominion Bureau of Statistics and listed below:

Farmers' Annual Cash Income
(All Canada Average)
Total in Millions of Dollars

Years	
1940	714.7
1939	702.8
1938	647.8
Pre-war Base Years	
1926	952.2
Depression Low	
1932	377.4
Pre-war High	
1928	1,058.8

The average townsman, when reading these figures of farm income, will say quickly; "That is all very well, but the farm family's living, or at least a large part of it, costs nothing at all. That is grown right on the farm."

Some allowance, of course, must be made for this perquisite but it is not as large as the average urban dweller imagines. Probably a few hundred dollars would cover it. The farm family, like the town family, must go to the nearest store for its tea, coffee, sugar, citrus fruits, fish, spices, bananas and a score of other food products. They must also buy clothes, contribute to church collections, pay doctors' bills.

In many sections of the country the average farm family buys bakers' bread, creamery butter, packaged breakfast food and much of its meat. Aside from ordinary garden truck, fruit in season, and perhaps some home-farm-killed meat the farm family's grocery and butcher bill is about the same as that for the city family, and in addition doing outdoor labor, the quantities ordered will likely be larger.

Probably a larger proportion of the food required by the average farm family could well be grown on the farm. Certainly in pioneer days almost all food and clothing were raised on the homestead. But this is not the case today and in large sections of the country it would be impossible anyway.

There are, for example, great areas in western Canada where, because of lack of moisture, about the only safe commercial crop is wheat. There is not enough rainfall for fodder without which dairying and livestock raising are impossible. There is not enough moisture in many years for even a garden unless some form of irrigation is possible. During the recent cycle of extreme drought, huge shipments of ordinary farm-raised food, cheese, butter, potatoes, fruit, meat as well as fish had to be shipped into the stricken West.

The Farm Price Picture

	% of total farm revenue	Prices: Today $	Prices: Before the war* $	Decr. or incr. in %
Field crops	52			
Wheat ($ per bus.)		.76	.62	*22
Dairy products	18			
Butter (lb.)		.30¼	.21¾	*39
Cheese (lb.)		.16¼	.12¼	*34
Poultry products	5			
Eggs (doz.)		.21	.20½	*2½
Livestock products	17			
Cattle (beef, cwt.)		9.25	6.85	*35
Hogs (bacon, cwt.)		11.50	9.50	*21
Index farm prices (D.B.S.)†		69.2	55.6	24
Gen. wholesale index†		86.7	73.3	17

† 1926=100. * June, 1939.

Wheat Dominant

Throughout a very large part of agricultural Canada wheat still remains the dominant barometer of agricultural wealth. In an average season at least one third of the agricultural revenues of the country comes from the sale of this one grain alone. The price of wheat today is about 22% above June, 1939, but this gain has been largely due to the minimum price guarantee of the Dominion Government. With a large part of our national market in Continental Europe cut off by the war, grain has been piling up in Canadian elevators and the old open world price has practically disappeared. So long as this condition continues there will certainly be no official encouragement for the Canadian farmer to increase his wheat acreage; just the reverse. The alternative with a government guaranteed price might well be national bankruptcy.

Hogs and Dairy Products

The present pressure against wheat will undoubtedly tend to increase production of other and more profitable lines, notably dairy, meat and poultry products. The dry climate throughout much of western Canada, as already mentioned, will act as a brake, but most observers expect that there is sufficient marginal land to permit continuance of recent sharp increases, barring, of course, a sudden return of drought. In regard to the result of such increases there is a growing misgiving.

At the present time it is true there is a good home or United Kingdom market for cheese, bacon, butter and beef, the products listed in order of preference. How long this will last, however, is another matter. The home market cannot absorb even present production and to get these surplus products to Britain requires a steady flow of refrigerator shipping. Moreover on two occasions in the past year the British authorities have had to call a halt to bacon imports from Canada and our output of bacon this year will show a substantial increase over 1940.

Cheese Expansion

Cheese expansion looks the safest of all agricultural lines. Here we have a condensed food rich in nutritive value. It is also fairly non-perishable. Britain has indicated again and again that she can use all that we can send. At one time our exports to Britain were very much higher than those of today, even as recently bolstered by new war demand. But cheese production like that of all dairy products is not something that can be turned on and off like water from a tap. Cows must be raised and financed, extensive supplies of fodder—pasture hay, etc.—arranged. It takes the average man at least five years to build up a dairy herd and, of course, such a change is only possible where conditions are suitable. There must be acreage and climate for fodder production and a cheese factory near by.

Butter

The same would be true of a switch to butter. In this line the outlook is not so assured. Great Britain depends on New Zealand for most of her butter and would hardly be inclined to forsake that supply for Canada. Britain is desirous of distributing her buying favors as widely as possible and practical throughout the Empire. As for the domestic market, Canadian butter output has long been on the verge of oversupply and at least a fair percentage of competent authorities expect such a condition to materialize in the near future. Once Canada produces a substantial surplus of butter then, as with wheat now, the Government will find it difficult to maintain high minimum prices without a guarantee on the part of producers for reduction.

Beef Cattle

The bacon situation has already been mentioned. As for beef cattle the outlook is not so clear. Prices since the war have risen sharply, but this is not due so much to any export trade as to a scarcity of supplies. The long drought of 1932-38 in western Canada was responsible for wholesale liquidation of breeding stock and it is only now being rebuilt. Canada exports little beef to Great Britain, the big outside market being the United States which takes live cattle. Indications point to expansion as fast as supply of good foundation stock and cheap forage permit.

Odds and Ends

The table with this article lists the main sources of farm revenue in Canada and also the principal items in those sources. The range covers slightly over 90% of total farm production. In the remaining percentage there are a few items like wool, which have shown spectacular rises since the war and also some, like fruit and tobacco, which have declined quite as much. On balance the declines more than equal the gains.

Fresh apples, for instance, once a $5 million export to Great Britain, are now completely embargoed. They are too bulky to be assigned precious shipping space in wartime.

Tobacco growers have found great difficulty in holding a portion of their prewar market. Other fruits like berries, cherries, peaches, etc., which must be preserved, have been hit by high sugar prices and shipping difficulties.

The biggest single gainer since the war has been wool. Here a price gain of 200% to 400% has occurred. But the total output of this product is so small that the effect on Canadian agriculture at large has been negligible. As a matter of fact, sheep on most farms—not the western ranges—are distinctly a by-product. A flock of a dozen or so is not a commercial proposition. Problems of feed, range, fencing and protection are not comparable with conditions where really large flocks are handled.

The Week in Business

Current business holds in satisfactory volume with D.B.S. index for week ended May 10 pulled below previous week by carloadings and bank clearings but 3% above year ago.

Railway carloadings for week ended May 10, almost 17% higher than last year. Cumulative for year to date up 16%.

Railway gross traffic earnings in second week of May well above 1940 levels. Totals for year to date up 26% for C.N.R. and 31% for C.P.R.

Automobiles, truck production in April more than double last year. Passenger car output down slightly.

Flour exports up more than 50% in April compared with year ago. Total for four months down 6%.

Newsprint production 4% higher in April than year ago. Value of exports up almost 6% from 1940.

Life insurance sales show increase of almost 10% in April compared with April, 1940.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

TREND OF BUSINESS—	May 10	May 3	Apr. 26	Apr. 19	May 11/40
Weekly index of business, D.B.S.	109.8	111.4	111.3	111.2	106.2
Commodity prices index no.	86.9	86.7	86.4	86.5	82.8
	Apr.	Mar.	Feb.	Jan.	Year Ago
The Financial Post business index	....	*150.7	152.5	154.6	132.9
Retail sales index no.	....	129.3	130.8	124.6	112.3
▪Dept. stores sales index no.	133.5	124.8	126.1	123.5	106.2
Wholesale sales index no.	....	124.3	110.5	106.2	104.1
Country store (% change pr. yr.)	....	+5.5	+4.4	+2.4	+8.8
EMPLOYMENT INDEX Nos., D.B.S.	Mar. 1	Feb. 1	Jan. 1	Dec. 1	Year Ago
All industries	135.3	135.2	134.2	139.1	113.5
Manufacturing	150.8	147.4	142.5	144.7	122.6
Living costs weekly budget	$18.16	$18.13	$18.26	$18.22	$17.75

		Jan. 1 to date			%
RAILWAYS	1941	1940	1941	1940	Change
▪Carloadings (week May 10)	61,566	52,766	1,053,896	910,320	+15.7
▪C.N.R. gross (week May 14) $	6,067,031	4,613,996	101,168,693	80,223,023	+26.1
▪C.P.R. gross (week May 14) $	4,234,000	3,209,000	70,408,000	54,031,000	+30.3
▪C.N.R. net revenue (Apr.) $	6,799,362	1,688,981	17,490,928	7,126,942	+145.4
C.P.R. net revenue (Mar.) $	3,246,075	1,501,561	8,520,406	5,302,488	+60.0
IRON AND STEEL—(March)—					
Pig iron production (tons)	102,038	91,772	296,288	283,507	+4.5
Steel ingots and castings prod. (tons)	195,481	157,326	554,482	464,165	+19.4
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Mar.)	11,272	10,481	23,727	24,999	—5.1
▪Factory output ... (Apr.)	12,091	13,487	46,821	50,870	—7.9
Trucks and Buses:					
Domestic sales* .. (Mar.)	3,389	2,515	8,130	6,605	+23.1
▪Factory output ... (Apr.)	15,493	6,200	53,712	20,835	+158.0
Financing:					
Used (Mar.) $	4,127,736	2,820,514	9,424,907	6,837,489	+37.8
New (Mar.) $	3,352,549	2,590,162	7,945,350	6,389,014	+24.4
CONSTRUCTION—					
Contracts awarded . (Apr.) $	23,567,200	25,905,000	88,843,500	58,244,700	+52.5
Cement prod., bbls. (Feb.)	302,182	204,287	584,746	394,862	+48.1
AGRICULTURE—					
Flour prod., bbls. .. (Mar.)	1,476,673	1,257,034	4,116,229	3,770,135	+9.1
▪Flour exp., bbls. ... (Apr.)	849,816	519,870	2,370,530	2,520,103	—5.9
▪Wheat exp., bush. ... (Apr.)	20,322,400	5,081,736	46,284,793	30,665,855	+50.9
Cattle sales▴ (Apr.)	89,786	93,444	313,431	302,991	+3.4
Hog sales▴ (Apr.)	629,453	476,593	2,154,847	1,596,254	+35.0
SEA FISHERIES—‡					
Catch, cwts. (Mar.)	407,300	456,550	1,280,000	2,620,150	—51.1
Landed value (Mar.) $	562,230	425,600	1,667,630	1,840,800	—9.4
NEWSPRINT—					
▪Production, tons ... (Apr.)	279,996	268,947	1,062,670	1,003,081	+5.9
▪Exports (Apr.) $	13,018,979	12,317,752	43,917,357	39,329,845	+11.6
MINING AND OILS—					
Coal prod., tons ... (Mar.)	1,529,103	1,341,158	4,755,186	4,564,194	+4.1
Coal imports, tons .. (Mar.)	703,411	430,598	1,741,393	1,345,315	+29.4
Gold prod., fine oz. (Mar.)	426,842	355,571	1,300,324	1,129,610	+15.2
Crude oil prod., bbl. (Feb.)	737,313	655,586	1,539,965	1,142,445	+34.7
Crude oil imp., gals.† (Mar.)	62,661	55,085	181,124	169,704	+6.7
ELECTRIC POWER OUTPUT—(March)—					
Total monthly, 1,000 wk.h.'s	2,631,809	2,426,157	7,673,572	7,319,331	+4.8
FOREIGN TRADE—♦					
Imports (Mar.)	107,982,222	76,733,896	295,996,312	218,879,594	+35.2
Exports (Mar.)	102,995,261	83,465,140	292,480,254	246,633,048	+18.4
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. (Apr.)	142,653	148,959	629,296	579,605	+8.5
Shoes, prod., pr. ... (Mar.)	2,524,243	2,242,756	6,641,192	6,595,846	+0.6
▪Cotton consump., lb. (Apr.)	17,114,949	15,805,855	66,201,826	63,467,175	+4.3
Raw rubber imp., lb. (Mar.)	9,636,314	6,076,667	31,232,029	24,755,771	+26.2
▪Cigarette cons. No.† (Apr.)	616,466	648,732	2,489,228	2,317,045	+7.4
Sugar manufactured .. lb.§	49,950,676	59,710,134	192,032,236	182,461,630	+5.2
FINANCE—					
Bank debits† (Mar.) $	2,838,146	2,412,660	8,319,432	8,042,212	+3.4
▪Bond sales† (Apr.) $	78,830	88,296	318,216	617,333	—48.4
▪Life insurance sales (Apr.) $	35,398,000	32,248,000	128,924,000	128,059,000	+0.6

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Final.
▴Total at yards and plants
New items for week marked ▪
†000's omitted. §For four weeks to April 19. ♦Gold excluded.

Penmans

A name that inspires confidence throughout Canada in the quality and workmanship of the garments on which it appears.

Head Office, PARIS, ONTARIO

KNITTED PRODUCTS UNDERWEAR
OUTERWEAR HOSIERY

Report is Promised Soon On Airport Contract Probe

From Our Own Correspondent

OTTAWA.—Alleged irregularities in connection with contracts for building the $3 millions Dartmouth Airport are to be reported on shortly by W. N. Tilley, K.C., of Toronto, the House of Commons was told last week by Hon. C. G. Power, Minister of National Defense for Air. As reported some time ago by The Financial Post, Mr. Tilley was directed by Mr. Power last November to enquire into the contracts.

Mr. Tilley has visited the airdrome and his report is expected "within a few days," the Minister says.

Undertaking to "tell the House what it is all about," Mr. Power explained that two main contracts were awarded for development of the airport. One was given June, 1938, for excavation and grading. The other was for shaping, surfacing and drainage of runways; was first awarded Oct., 1939; was replaced by a revised contract in Jan., 1940.

Contracts to Same Firm

The grading contract was on a unit price basis and went to the lowest tenderer, said Mr. Power. The other is on a cost plus fixed fee basis, and went to the holder of the grading contract. (It has previously been officially stated that both contracts were awarded to the Acadia Construction Co., Halifax.)

The Air Minister continued:

"In both cases the requirements of service operations necessitated a great deal more work being done under these contracts than it was contemplated would be necessary when they were made. In other words, the whole development had to be on a much larger scale.

"I believe it is fair to say that there has been no criticism of the quality of the work performed under these contracts or any suggestion that it was not done as expeditiously as possible. At the same time, it has been suggested —at least informally—that the contracts themselves were not all they should have been and that there had been irregularities in connection with them . . . At all events, it did appear that a full enquiry should be made."

Strike Outbreaks Increase As Labor Trouble Spreads

Upsurge of wartime labor trouble in Canada, held in check until recent weeks, is reflected in increased outbreak of strikes.

Latest official strike report issued by the Dominion Department of Labor, covering walkouts during April, shows a marked upswing in the number of strikes, the number of workers involved, and the resulting loss of working time. In contrast, figures for the first three months were substantially less than in the corresponding months of 1940.

Working time lost from strikes in April was 16% more than the same month last year, and was 25 times greater than March, 1941. While the spring usually brings a seasonal jump in strike trouble, the increase a year ago was proportionately much less. The number of workers who went on strike in April was almost as great as in the first four months of last year, and the number of strikes was nearly double that for April, 1940 (32 compared with 19).

The higher April totals were caused chiefly by strikes of coal miners in Nova Scotia, New Brunswick and Alberta, the Peck Rolling Mills strike in Montreal, and the National Steel Car Corp. walkout in Hamilton.

Record to Date

Following is a comparative record, compiled by The Financial Post from official figures, of the number of workers and the loss of working time involved in strikes so far this year:

STRIKES IN CANADA

	No. of strikers 1941	No. of strikers 1940	*Time lost 1941	*Time lost 1940
Jan.	1,453	919	3,238	6,861
Feb.	1,787	3,041	7,514	12,749
March	1,135	1,989	3,515	14,940
April	19,406	13,839	75,430	64,914
Total	23,781	19,760	89,697	99,464

*Man-working days.

MORE BELL SHARES

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada advises Montreal Stock Exchange 1,163 additional shares have been issued under the Employees' Stock Plan. Total now outstanding, 826,535.

BRITISH AEROPLANE ENGINES
LIMITED

Exclusive Agents in Canada
for
Bristol Aeroplane Engines

ASSEMBLING OVERHAULS
GENERAL SERVICE
at
6259 Notre Dame St. East

HEAD OFFICE 248 McCord St. MONTREAL

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870

DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1940), $12,147,569
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

Specify BP ASPHALT SHINGLES—

● Invest your roofing dollar in shingles that give complete roof protection against weather and fire with colourful appearance

Send for "Roof Security Crowned with Colour"

Produced in Canada

BUILDING PRODUCTS LIMITED
Montreal Toronto Hamilton Winnipeg Saint John Halifax

Newspaper advertising
at its peak of productiveness

Crammed with news and pictures—not only of world events, but of the more intimate local war activities — newspapers today are as vital to people as the meals they eat. Add to this increased employment, and consequent enhancement of consumer buying-power, and the result is a sales-producing force of tremendous effectiveness. In the Toronto area alone in the past year 78 new war industries have put 31,088 people to work again at good wages. Retail sales in increasing volume are accruing at this time to the users of sane advertising, and future sales are also being insured.

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM
Largest Classified Linage in Canada
TORONTO CANADA
MONTREAL: E. R. CHOWN, Dominion Square Building

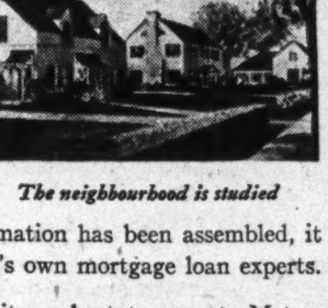
We, too, are great believers

in turning over stones

ONCE when Euripides, the Greek tragic dramatist, was asked what was the best way to hunt for buried treasure, he replied: "Leave no stone unturned!"

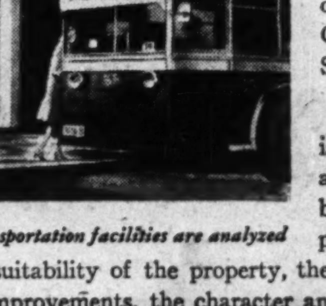
We try to follow this wise advice in our search for safe, sound investments.

For *safety* must always be the first consideration when the money entrusted to the Company by its policyholders is put to work to earn the interest that helps pay the cost of your life insurance. Therefore, when Metropolitan invests in first mortgages on real estate, it tries to "leave no stone unturned" in its efforts to learn all there is to know about the property to be mortgaged.


The neighbourhood is studied

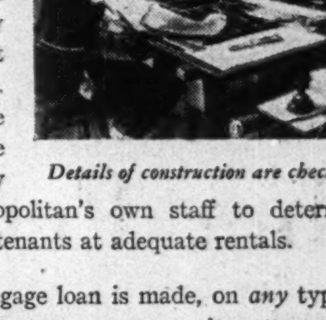
When the necessary information has been assembled, it is analyzed by Metropolitan's own mortgage loan experts.

Applications for loans on city real estate come to Metropolitan from real estate owners and their agents or brokers, as well as from the Company's 73 active loan correspondents, and many sub-correspondents, in all parts of Canada and the United States.


Transportation facilities are analyzed

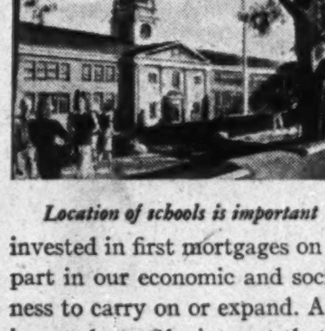
Whether the property is a private home, an apartment house, or a business building, Metropolitan must determine the suitability of the property, the physical condition of its improvements, the character and future of the neighbourhood, its transportation facilities, and the reputation and financial responsibility of the owner.

In the case of a private home or apartment house, Metropolitan also wants to know about the nearness of schools and shopping districts.


Details of construction are checked

If the property is a business building, its location must be suitable to the nature of the business to which the building is devoted. The integrity and efficiency of the management must be taken into account. Details of architecture and construction and the condition of the property are checked by Metropolitan's own staff to determine whether it will attract tenants at adequate rentals.

And before *any* mortgage loan is made, on *any* type of property, it must meet the requirements of the Company's investment policies, and be recommended by Metropolitan's investment men. Their recommendations must then be approved by the Real Estate Committee of Metropolitan's Board of Directors.


Location of schools is important

Life insurance funds invested in first mortgages on real estate play an important part in our economic and social structure by helping business to carry on or expand. At the same time, the funds so invested earn the interest that helps reduce the cost of your life insurance.

This is Number 37 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE, OTTAWA

More Boosts For Tourist Traffic

Some United States Publications Taking Up Our Cause

Intensified efforts to attract U. S. tourists to Canada and explain the exchange problem that bars Canadian pleasure travel south of the border, are being given increasing support in U. S. publications.

A leading editorial in the Atlanta Constitution, one of the most influential newspapers in the southern states, recently gave a friendly boost to travel in Canada by Americans. It pointed out that U. S. dollars spent in Canada were badly needed to finance the Dominion's war effort, and were returned to the U. S. to buy war supplies. The need for conserving exchange resources, the editorial explained, had forced Canadians to forego U. S. vacations.

Help Canada to Fight

The editorial said, in part:

"Americans who wish to help Canada and Britain in the terrific task of fighting the war to victory, may do so by spending their vacations in Canada. Nor, by so doing, will they injure, in the broader sense, the economy of their own country. For all the money Canada can scrape is being sent to this country in payment of materials of war. . . .

"There are no border or passport difficulties in crossing into Canada. Just as in peace times, it is almost as easy as passing from one state to another. . . .

"By diverting your vacation plans, and money, to Canada this year you may have the satisfaction not only of enjoying a glorious holiday, but also of helping the Canadian war effort—something which all of us desire most sincerely to do."

Easy at Border

The ease with which U. S. citizens pass to and fro across the Canadian border, whether on holidays, on business or attending conventions, was also commented on recently by Printers' Ink Weekly. Referring to the visit of several hundred Americans to Toronto to attend the convention of the International Affiliation of Sales & Advertising Clubs, the journal said:

"Their passage over the line was just a detail, just as it always has been. We mention this as a dramatic refutation of the ugly reports—evidently emanating from or inspired by United States branches of Herr Goebbel's lie factory — that American citizens were being subjected to indignities and difficulties when they attempted to visit Canada.

"So widespread has been this wild-eyed fake that any number of Americans have actually been afraid to visit Canada. In thus disproving it by personal experience, the American advertising people from the Great Lakes section have performed a real service to both countries."

Better Understanding

For some time the Canadian ban on pleasure travel in the U. S. was misunderstood in that country, and caused some resentment, especially among hotel men. But Americans are rapidly coming to understand that the ban is to conserve foreign exchange and help to pay Canada's bills in the U. S. For instance, a recent bulletin to Canadian customers from the Hotel McAlpin in New York states that the management "is extending its full co-operation in the programme to conserve Canadian funds for war purchases and recognizes the vital need for economy in connection with business visits to New York.

The hotel emphasizes it is still allowing Canadians a 10% discount off room bills if paid in U. S. funds, or will absorb up to 10% of the exchange premium if payment is in Canadian money.

New Books

Stop Hitler Now

THE TIME IS NOW. By Pierre Van Paassen. Published by Longmans, Green & Co., Toronto. Price $1.35.

Van Paassen, whose exaggerated, emotional "Days of Our Years" sold over 300,000 copies, recently took seven days off to pour out a new book. It is a brief but electrifying challenge to Americans to recognize the danger to themselves of Hitler's assault on the Suez, Iraq, Syria and the Near East. Who controls the eastern end of the Mediterranean controls the seven seas, argues Van Paassen. Hitler should be stopped by American intervention now, for if he is not stopped now it may be too late.

The book is as topical as a newspaper editorial and as impassioned as Cassandra. Its inspiration is derived from a study of "Geopolitik" —the German strategy for world encirclement and conquest. It is a startling book, and Canadians will find it useful (as well as disturbing) in its logical analysis of why Hitler has turned South and East.

Machinery of Business

CORPORATE FINANCIAL POLICY. By Harry G. Guthmann and Herbert Dougall, published by Prentice-Hall, New York. Price $5.75.

Combining a work of reference valuable to investors and executives with a practical student's textbook is no mean feat. In "Corporate Financial Policy," the authors have been able to accomplish this dual purpose.

Author Harry G. Guthmann is Professor of Finance, author Herbert Dougall associate Professor of Finance in Northwestern University's School of Commerce.

The field covered by Corporate Financial Policy is as wide a business, as detailed as accounting. Each shape into which men mold business is studied, from minute sole ownership to sprawling holding companies. The multitude of factors determining the capital structure of business is broken down to the point where a businessman can draw blueprints for capital structure as accurately as those of an engineer.

Corporate Financial Policy's 747 pages offer many a tip for investors as well. The chapter on the promotion of companies is not designed primarily as a defense against unscrupulous promoters, but the rules of investigation of a new company laid down for careful promoters would help keep the dents out of many an investor's pocketbook.

Of marked practical value to the businessman and investor, are the liberal footnotes which appear in the book. Among the Canadian companies referred to on specific features are Canadian National Railways, Canadian Pacific Railway, Imperial Oil, International Nickel, International Hydro Electric System and others.

The Story of Dunkerque

THE NINE DAYS WONDER. By John Masefield. Published by the MacMillan Co. of Canada, Toronto. Price $1.50.

John Masefield knows the sea. To him each wave is an epic and each boiler room a sanctuary. "The Nine Days Wonder" is the simple recital of the facts of Dunkerque, written from official records, private diaries and other eye-witness accounts. In the manner of his record of "Gallipoli" Mr. Masefield has penned a story of Englishmen engaged in what he thinks may stand as the "greatest thing this nation has ever done." It is a story rich in heroism, devoid of heroics, a literary classic that will be read in an hour and remembered for a lifetime.

Many little known facts are brought out; that the British destroyed 377 German planes at Dunkerque and lost 87 of their own; that the original hope was to evacu- 40-50,000 Englishmen; that ultimately over 123,000 Frenchmen were saved along with nearly 200,000 English.

To the unemotional recital of facts are added a dozen official photographs and some verses by the author, all combining to produce a small volume that will be a lasting memorial to "the Operation Dynamo" that give British peoples everywhere, in their blackest hour, courage to see the war through to the end of Victory.

Zellers Sales Up 51.31% in April

MONTREAL.—Zellers Ltd. reports an increase of 51.31% in sales during April and one of more than 34% during the three months ended that month.

Sales in April, 1941, were $750,98[illegible] as compared with $496,325 in the same month in 1940. From Feb. 1 to April 30 this year sales totalled $1.8 millions, an increase of $468,310 from the $1.4 millions reported for the corresponding period of 1940.

CANADA CALLS

Canada has reason to count her blessings in these days of trial.

Canada is three thousand miles away from the sound of guns which are devastating Europe.

The broad Atlantic Ocean rolls between us and the ruthless savagery of the German armies.

The strongest fleets in the world—British, American and Canadian—patrol the sea between us and the enemy.

We have a great friendly nation, probably the richest and most powerful in the world, at our side.

CANADA CAN AFFORD HER SACRIFICES

This war is a mechanized war.

We have the nickel . . . copper . . . lead . . . zinc and other metals the war industries need. We have access to the iron. We can make the steel.

We have the organized industries to fabricate these metals and make the trucks, and tanks, and guns, and planes, and the ships.

We have skilled workers and the plants for mass production.

Canada has the wheat and the food supplies.

Let us count our blessings, and tighten our belts.

Canada is rich—one of the richest countries per head of population in the world. Let us lend our strength to the utmost of our power. Our national future depends upon Victory.

We must win to live.

THERE WILL BE FURTHER CALLS

There have been many calls upon the people of this country for money since Canada entered the war at the side of Great Britain.

There will be further calls.

Let us face the future unafraid.

Canada can carry the load.

But every Canadian must shoulder his and her share.

This is the most critical hour in our history. Let the future historians say of Canada, as they will say of our Mother Country: "This was their finest hour."

Get under your load...and LIFT

DEPARTMENT OF FINANCE; CANADA

3

THE FINANCIAL POST

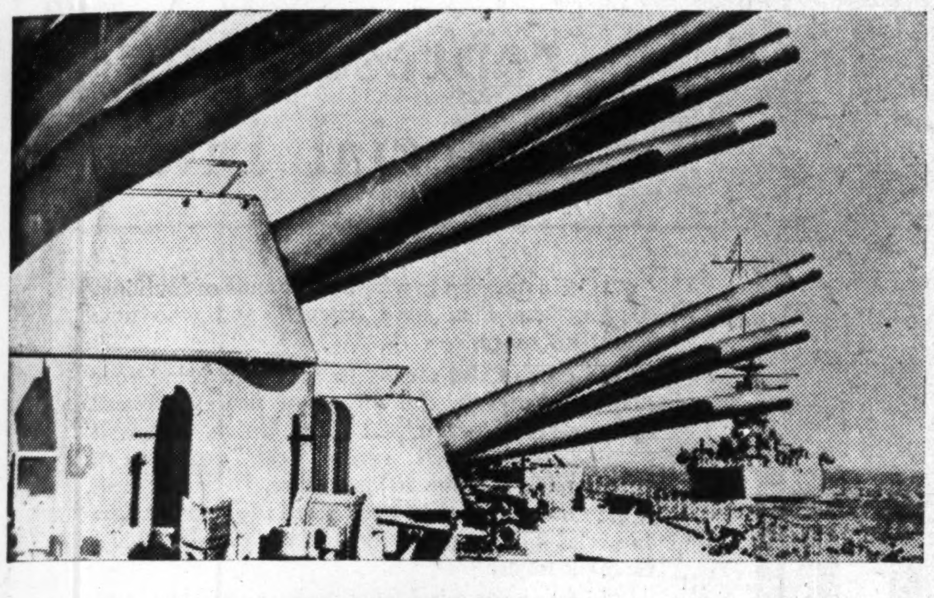
Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MAY 24, 1941 | 10c a Copy: $5.00 a Year | No. 21

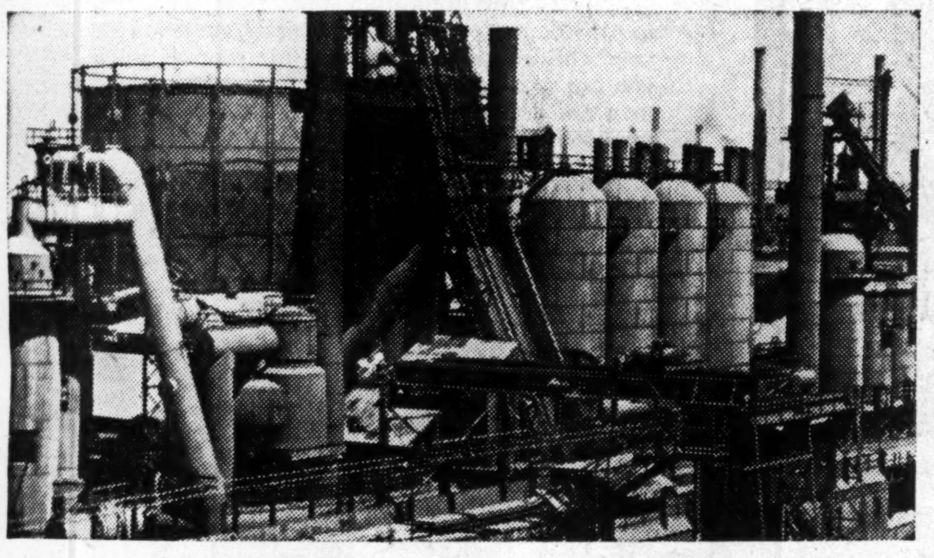
No Doubt of it Now— U. S. is in the War

Over Hitler, the Democracies Have at Least 5 Advantages

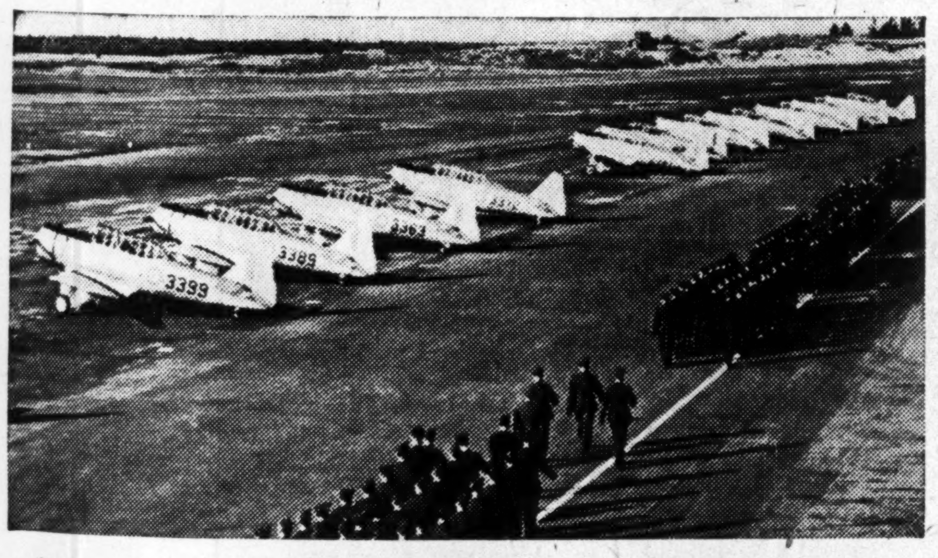
Realistic appraisal of probabilities has led London and Washington authorities to draw up a brief private list of the important advantages which Britain, plus the United States, plus the British Dominions, definitely possess. Here are five of those advantages



"The German people have an instinctive fear of British sea power," declared an authority recently writing in The Financial Post. "The U. S. Navy, even divided, is neither obsolete nor unprepared, but is perhaps now the strongest force on the seas. Co-operating fully with Britain, it can assure deliveries to Britain and give America time to mobilize her full resources. Anglo-American supremacy at sea can assuredly match any German supremacy on land. Hitler should be defeated in the Battle of the Atlantic," declares P. H. Whaley.

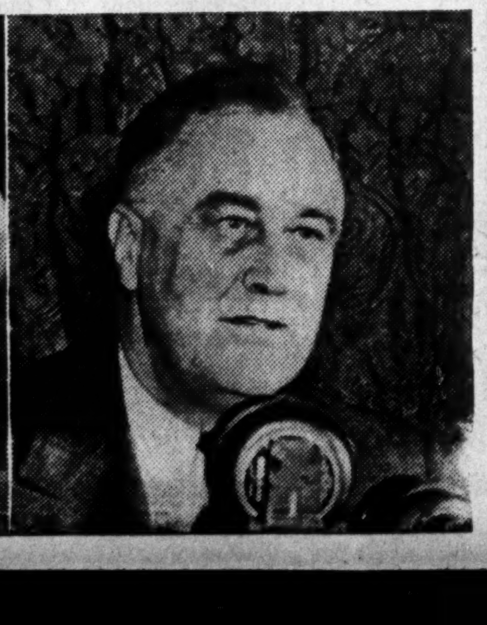


Anglo-American economic resources are greatly superior to those of Germany. Because of character and greater application of modern machinery statistics show that the average worker in the democracies produces at least 50% more than the average worker in Germany. True, the productive capacity of all Europe is now at Hitler's service. But slaves make poor workers and demand constant surveillance to keep them enslaved. Producing the new armament he needs and satisfying his vast and continually expanding transport requirements at the same time is something Hitler cannot do.



British and German air strengths will be equal early next spring, according to T. P. Wright, engineering vice-president of Curtiss-Wright Corp. consultant for the National (U. S.) Defense Advisory Commission and widely held the best informed aircraft production man in the United States. From next spring, Britain's air strength will march ahead of Germany's swiftly, for by next spring the vast new American aircraft industry will be getting into full swing in mass production of both air frames and air engines. U. S. plane production in 1941 is scheduled for 19,500 craft; 28,000 for 1942; 39,000 in 1943; 49,000 in 1944.

Almost all the world's monetary gold is now in the United States. Nearly all the world's gold production comes from democratic countries far beyond Hitler's grasp. And gold buys the things with which wars are fought. Hitler's first move in conquered lands is to seize all available gold stocks, thus belieing his raucous outbursts that gold is just a superstition of the democracies. Gold has often been decisive in long wars. The last time a man went mad and attempted world conquest—the melodrama of Napoleon—Britain's William Pitt based his policies on gold and relied on it to win in the end.



None can rival United States in selling an idea. Salesmanship is the American genius. The British peoples are unequalled in their devotion to an inspired leader. In Roosevelt and Churchill, the democracies and their cause have a team of leader-prophets that is unique in history in its ability and power to inspire, to reassure and to lead.

Declared Dr. Otto Strasser in The Financial Post: "The German people well realize they have done a grave wrong to the Czechs, the Poles, the Norwegians and so on . . . United as the German people were with Hitler in condemnation of the Versailles Treaty, equally much they separate themselves from Hitler's present policy of subjugating other peoples to Germany."

Says Formal Declaration May Be Made Within Few Weeks

By P. H. WHALEY

Nobody need be in any doubt as to the policy of the United States so far as the war is concerned. All that is necessary is to read the following statement by Attorney General Robert H. Jackson:

"Our statutes for a century have been framed with the idea that war would begin with a gentlemanly and honorable declaration of war. That chivalrous practice has disappeared. Wars today are fought and won before they are declared.

"Any nation that, in the presence of rising hostility and strain with another, awaits a declaration of war to assert itself is as naive as a citizen who expects a burglar to make a formal call to announce his housebreaking intentions.

"It is safe to say that under modern methods of warfare the most critical period for a nation under attack is the period preceding the actual employment of military force."

A great majority of American citizens have assumed that the country would not enter the war until a formal declaration had been made by Congress. President Roosevelt, fully aware of the fact that, before this could occur, defense could have been so mortally wounded as to jeopardize severely the chances of ultimate success, has availed himself of his powers as Commander-in-Chief of the Army and Navy to take such precautions as seemed advisable.

Most of his moves are well known—the acquisition of bases for the defense of North America, the transfer of destroyers to Britain, enactment of the Lease-Lend bill, etc. He has seized foreign ships in American harbors.

These More Secret

However, the two outstanding things being currently done, about which there is very little exact public knowledge, are the Atlantic patrol and policy in the Pacific. The fact that the patrol has been instituted is common knowledge, but it is not appreciated that this patrol operates under what is virtually a joint Anglo-American command, that the American patrol is at all times intimately advised of the movement of convoys, of their collections, of their meeting places in the Atlantic, of their destinations and of their protection after they have passed beyond the safeguarding limits set by Washington.

Also, the patrol is used to spot enemy submarines, raiders and aircraft, and all such information is immediately relayed exclusively to the British authorities. The air patrol operates in part from the Greenland base, which base at present is largely an airplane tender which is just a floating machine shop, fully equipped in all respects for repair work. A thoroughly efficient Greenland base is to be established.

The second recent move made by Washington to carry on undeclared war involves the Pacific. Secretary Hull has denied the Matsuoka allegation that the British, Dutch, Australian and American governments have reached an agreement for common action in the Pacific in the event of Japanese aggression. The denial may be considered as purely technical—the agreement does not exist in the sense that it will not become operative until the Japanese aggression occurs.

Washington, regarding formal entrance into the war as inevitable, and that the main theatre of it will be the Atlantic, is not at all disposed to leave the backdoor open and be constantly threatened from the Pacific.

Considering Italy as already part of Germany, Japan is regarded as the weakest of the Axis Powers.

Only 6 Months' Job

There are eminent authorities in Washington who believe that Japan could be eliminated as a military threat within six months by economic action alone. Japan is exceedingly exposed economically.

Naval authorities are not so certain. They appreciate the efficiency of the Japanese fleet and take it for granted that very hard fighting will occur. They feel, nevertheless, that the safety of Singapore could be assured.

It is understood that economic warfare against Japan would involve the blockade of the sea passages from the Indian Ocean, the cutting off of such supplies as Japan has been getting from South America by purchasing them for Anglo-American account, at the source, or by embargoes instituted by South American Governments, or by blockade.

One of the big leaks in the British blockade of Germany has been shipment of goods from the east coast of South America via the Panama Canal to the trans-Siberian railheads. It was recently stated in the press that America closed the Panama Canal to such ships. This is not true. What is true is that Tokio itself ordered these ships to stop using the Canal and take the long voyage around Cape Horn.

The American Government has been building up its supplies in Manila, both military and naval, and there are probably now in the Philippines adequate reserves of naval munitions. Also, the most formidable American naval bombers have been sent to Hawaii and the Philippines.

There are reports that powerful units of the American Pacific fleet are in the vicinity of Singapore.

It would not be at all surprising if the United States were engaged in active warfare in the Pacific before undertaking hostilities in the Atlantic.

Mr. Roosevelt is now actively asserting the old American theory of freedom of the seas, though with some limitations. Probably a great many American ships are landing Lease-Lend supplies in Nigeria, whence it is a comparatively easy airplane trip to Egypt, particularly as Lake Chad, where the British have fine plane bases, is almost a half-way point.

At Vichy, Admiral Leahy, the American Ambassador, did everything humanly possible to convince Petain that the only hope of ultimate French freedom was the defeat of Hitler, but his promises could not weigh against the active coercion of the Germans. Moreover, Washington has been convinced for a long time that the men around Petain are Fascists at heart and want a dictatorial Government in France, even though it involves complete subordination to Berlin. The loss of France is not altogether unfortunate. For months it has been necessary for London and Washington to play along with Vichy, although the independence of the Government there was a mere fiction.

So widespread now is American naval activity and ships carrying Lease-Lend goods are so numerous on the oceans, that sooner or later there must be an incident, or a succession of incidents, which will unite the entire American public in support of formal war, just as the firing on Fort Sumter brought unity to the North at the outbreak of the Civil War.

Percival Huntington Whaley, who writes this article especially for The Financial Post, is head of the celebrated Washington information firm, Whaley Eaton Service. Veteran editor and observer of world affairs, Mr. Whaley has built up an enviable reputation for sound analysis and prescience. He lives on a farm near the capital; operates a plantation near Charleston.

Born in Connecticut, 1880, he is a graduate of Hobart and of Tulane Law School, New Orleans. His wife and his early newspaper training were both acquired in the deep South; his first top executive posts on Philadelphia newspapers. He founded the Whaley Eaton service in 1918.

In estimating the chances of success in the war, Washington authorities have reached the conclusion that the fundamentals favor Hitler's defeat. They think it rather likely that he will show many other victories before the tide begins to turn.

But what are these fundamentals that favor the Anglo-American cause? Tooling is a good example. Hitler built his war machine in the years preceding the war. His tooling is chiefly for the models of that period. All of the American tooling, on the other hand, is up-to-the-minute. The U. S. is able to take advantage of the lessons taught by the war. It can build better machines than the Germans can build, for it is not conceivable that Hitler, under war conditions, or even under peacetime conditions, could retool so well or so rapidly as America can do its tooling, de novo.

It is admitted that Hitler is trying to keep his plane design up to date, and it is known that he will put into the air this fall huge new armored bombers, operating at stratospheric heights, which will be immune to attack by machine guns. It is safe to assume, on the other hand, that before many months have passed the American production of super-bombers, armored with cannon, will surpass that of Germany both in quality and in quantity.

Recently the British have notified Washington that heavy tanks are almost as necessary as planes. The Germans brought into action in the Balkans huge super-tanks that were really first-class fortresses on wheels. American production of medium tanks—and they are very fine ones—should be in volume this summer. Similar progress has not been made in the heavier tanks, but when they do come along there will be nothing in the world so good.

Doubling Output Soon

The American programme is still not a third what it should be. Full industrial mobilization for war may possibly have to await a formal declaration of war. However, everything is ready now for at least doubling the programme.

There is no doubt but that strikes are a fly in the ointment. Nevertheless, in the rank and file of laboring men there have been marked evidences of real patriotism. At one great plant, where a special defense product was urgently required, the workers unanimously declined to accept overtime pay, but made that a contribution to the cause.

Union chiefs are capitalizing on defense by trying to organize American industry 100 per cent. What the President's ultimate policy will be is conjectural, but so far he has acquiesced in wage increases, and he virtually dictated the General Motors settlement. The idea seems to be that production cost is not half so vital as getting the production itself — the maximum production.

The situation is developing very rapidly. The United States would regard it as national disaster were Dakar to fall into Nazi hands. It is via Dakar that the Italian airlines operate to South America. They carry back to Germany such essential things as industrial diamonds, medicines and, most importantly, information. They bring into South America financial securities which they have managed to seize in the occupied countries and wish to convert into dollar or other exchange, together with seized precious jewels.

It would hardly be too much to say that Dakar is regarded in Washington as essential to the Allied cause, and that the occupation of it by the enemy will not be permitted. The idea of American troops operating in Africa would shock the general public, but it is within the possibilities.

An important development is the close liaison between experienced British officers and American production agents. Thus, there is a concentration of British and American air experts at Dayton, Ohio, where experimental work of the highest significance is carried on.

Declaration "Inevitable"

The important thing to remember is that the United States is now actively engaged in the war and nobody in Washington who is in a position to know the facts has any doubt at all about it. A formal declaration of war is regarded as inevitable, but nobody can do more than guess as to the timing of it. A series of incidents might bring the declaration about within the next few weeks. On the other hand, there are many advantages in the informal method of warfare. No accurate information is available as to how successful the American patrol has been in cutting down convoy losses in the North Atlantic, but it seems safe to assume that this American contribution is proving quite helpful.

There has been a tendency in Washington to underplay the production effort. Certainly, almost all the experts did underestimate the magnitude of the armament job, with special references to basic requirements, such as the metals and transportation. Nevertheless, production will be getting into volume within the next couple of months.

It is true that the American effort is still far below what it ought to be, and that there has been some inefficiency in planning and organization, and that everything has not been altogether what it ought to be. The same difficulties that were experienced in England and Canada are being experienced in the United States. There is a certain complacency and smugness, both of which are in the way of being overcome.

Banking

Not a Nickel in a Carload

Russian Inflation Debauch Paved Communist Way

This article, the 11th in a series on currency inflation, describes how Russian inflation destroyed the value of money, bringing keen distress to the people. Though reaching its climax after the revolution, it was started in the Czarist regime.

By DONALD G. MacLEAN
Staff Writer, The Financial Post

Currency inflation has almost invariably been the result of a government's dire need for money and a desire to raise it with a minimum of inconvenience. People generally do not oppose it in the early stages because they don't see the precipice at the end of the road. The results, however, have always been the same, suffering and disastrous loss.

Soviet Russia made a virtue of the disastrous depreciation in the value of money that followed an inflation second only to that of Germany.

In Czarist Regime

The post-revolutionary government of Russia caused hyper-inflation. But even before the 1917 revolution Russian currency was enormously inflated and its purchasing power heavily impaired. The revolution simply accelerated the pace of the movement.

When war broke out in 1914 Russia was a half-developed country depending largely on capital imports. Many raw commodities, even those of which Russia had large resources had to be imported. Deficits in the national finances were the ordinary thing.

The difficulties in financing the war were enormous. It was impossible to sell bonds to a population which not only was suspicious of anything like that but which did not have the money to invest. The same conditions made financing by increased taxation difficult. Accordingly resort was had in large measure to financing by treasury bills and printing paper money. Between July 16, 1914 and Nov. 1, 1917 the note circulation increased from 1.6 billion rubles to 18.9 billions.

Followed Usual Pattern

The pattern followed was the usual. Increases in the amount of currency in circulation at first were gradual. But as it expanded the purchasing price of the ruble fell. The Government as well as individuals had to pay more for materials and services and larger issues became necessary. Prices at first rose only moderately as consumer goods could no longer be exported and were thrown on the home market. But as the productive enterprises of the country were channelled into military needs, supplies of goods for the civilian population decreased. The index of retail prices on the basis of 1913 equals 1, rose from 1.01 in 1914 to 1.30 in 1915, a high of 2.35 in 1916 and 15.45 by the end of 1917.

Soviet's Difficulties

When the revolution broke out the need for money continued as great. The new government, however, had abolished private property in land. It had annulled all foreign and domestic loans with the exception of small native bondholders whose holdings did not exceed 10,000 rubles. They were allowed to exchange their bonds for others of the new regime. Foreign trade was declared a state monopoly. The effect of these changes was that it was practically impossible for the Government to borrow either at home or abroad. With land and all business enterprises nationalized there was little if anything left to tax. But the Soviet had still the printing press. It was one part of the Czarist machinery the Soviet found worthwhile. This and forced donations of services and materials from the peasantry enabled the Government to carry on. In succeeding years the deficit between government receipts from export trade, etc., on one side and expenditures on the other was bridged by printing money.

Notes in Circulation

By the end of December, 1921, the volume of notes in circulation amounted to 17.5 trillions. These included notes of the old imperial government as well as newer issues of the Soviet. People however were losing faith in money. Strangely they showed a preference for notes of the old regime. Spending increased as the people were afraid to hold their money. Prices continued to rise. In March, 1924, total note issue was 809 quadrillion rubles. It took 62 billion rubles to buy what one czarist ruble bought in 1918. Starvation accompanied the decline of purchasing power for thousands.

Path to Moneyless Economy

The Soviet Government, however, made a virtue of its necessity and argued that the declining value of money was but the path to a moneyless economy, an object which was never achieved.

Ultimately the need of stabilization was realized. This was done in several steps. The net result was that 50 billion printing press rubles were exchangeable for one new treasury ruble backed by gold.

Thus even in a communistic community, the need of a stable currency was shown by experience.

TRADE WITH GREAT BRITAIN

The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.

Head Office: EDINBURGH
254 Branches in All
LONDON:
Chief City Office:
3 Bishopsgate, E. C. 2

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter 1727)

Total Assets ..... $429,679,150 ($5 to £1)

Associated Bank: Williams Deacon's Bank Ltd.

The WAWANESA
Mutual Insurance Company
Organized in 1896

Assets $2,894,436.70
Surplus 1,513,855.65
Dominion Gov't Deposit 1,041,353.86

Write for Financial Statement

Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.

Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton

2,000 Agents Across Canada

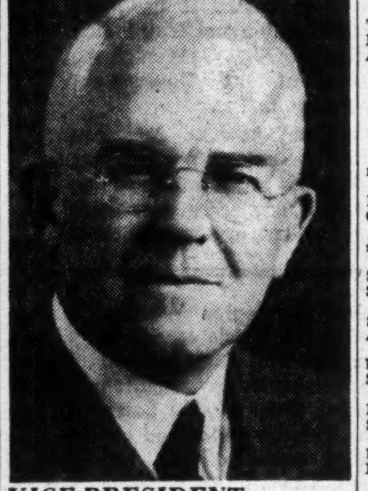
United States Fidelity & Guaranty Company
TORONTO

$1,46[illegible],589 DIVIDENDS RETURNED TO POLICYHOLDERS IN 1940

. . . a convincing demonstration of how a mutual fire insurance company, operated for the benefit of its policyholders, can effect definite, clear-cut savings in their insurance costs.

These benefits are available to YOU today. Enquire now—local agents and branch offices across Canada.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
CANADIAN HEAD OFFICE · VANCOUVER



VICE-PRESIDENT

Rolph R. Corson was elected a vice-president of the Boiler Inspection and Insurance Co. of Canada at the annual meeting held in Toronto recently. Mr. Corson is president of the Chartered Trust & Executor Co., vice-president Laura Secord Candy Shops Ltd. and a director of many other Canadian concerns.

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH Chief Agent
CONCOURSE BUILDING TORONTO
Fire and Allied Lines Written in Associated Companies
World's Greatest Automobile Mutual

Not the Biggest - But the Best

PROMPT, SATISFACTORY SETTLEMENTS

Buy War Savings Certificates EVERY month

The many letters written by appreciative Policyholders to Agents are convincing evidence of the prompt and satisfactory manner in which Fire and Casualty claims are settled by "The Two Canadians".

The CANADIAN FIRE INSURANCE COMPANY
The CANADIAN INDEMNITY COMPANY

Exchange Holdings Show Increase

Increase of $15 millions in holdings of sterling and U. S. exchange is shown in the statement of the Bank of Canada for the week ended May 14. This evidently is the result of further accumulation of sterling balances in Canada for war supplies furnished the British Government. Investments also rose $3.7 millions, the gain being mainly in short term issues. Total assets were up about $18 millions.

This was offset on the liability side by a rise of almost $20 millions in total deposits, the main increase being in deposits of the Dominion Government. This expansion is believed to be due partly to sterling payments received by the Dominion Government and turned over to the Bank of Canada. Note circulation dropped slightly during the week.

	May 14 1941 $	May 7 1941 $
Capital paid-up ...	5,000,000	5,000,000
Notes in circ.	375,273,296	376,317,046
Rest fund	3,722,910	3,722,910
Depos.: Dominion .	82,165,336	62,052,460
Bank	201,384,754	202,013,008
Other	8,902,262	8,620,810
Total deposits	292,452,352	272,686,278
All other liabs. ...	5,259,778	5,766,005
Total liabs.	681,708,336	663,492,239
Assets		
In sterl. & U. S. ..	182,913,314	167,369,325
Subsid. coin	812,999	838,351
Investments:		
Dom. gov. short ..	366,937,919	363,999,557
Other Dom. gov.	118,638,218	117,810,058
Total invest.	485,576,137	481,809,615
Premises	1,736,341	1,736,176
All other assets	10,669,545	11,738,772
	681,708,336	663,492,239

Staff Changes

The Imperial Bank of Canada announces the following staff changes:

C. C. FAWCETT, manager, Grande Prairie, Alta., to be manager, Kenora, Ont.

A. M. OWEN, manager, Kenora, Ont., superannuated on account of ill health.

S. A. HERON, accountant, Weyburn, Sask., to be manager Meadow Lake, Sask.

J. H. NELSON, manager, Meadow Lake, Sask., to be manager, Grande Prairie, Alta.

W. L. M. SISSON, accountant Athabasca, Alta., to be accountant Weyburn, Sask.

H. M. HALLDORSON, formerly of Regina, Sask., to be accountant, Wilkie, Sask.

A. P. GRANT, formerly of Montreal branch to be acting manager, Montreal East branch, recently opened.

S. J. BURT, formerly of Toronto branch to be acting assistant accountant Yonge and Queen streets, Toronto.

* * *

The Royal Bank of Canada announces the following staff changes:

J. L. McCARTHY, manager, Roseau, Dominica, to be manager, San Fernando, Trinidad.

J. C. MOORE, manager, Scotland, Ont., to be manager, Burford, Ont.

W. S. STRACHAN, manager, Vernon, B.C., to be manager, Cordova St., Vancouver, B.C.

S. M. BAIRD, to be accountant, Leamington, Ont.

H. A. RICHARDSON, to be accountant, Kingston, Ont.

V. J. LAUGHLIN, supervisor's department, Port of Spain, Trinidad, to be manager, Roseau, Dominica.

R. H. MAWHINNEY, manager, Victoria West, B.C., to be manager, Vernon, B.C.

W. H. F. G. WARMINGTON, head office, to be manager, Upper Town, Quebec, Que.

C. E. P. ROOKE, accountant Robson St., Vancouver, to be assistant manager, Victoria, B.C.

W. A. GOHL, accountant Sherbrooke & Decarie, Montreal, to be accountant, Cornwall, Ont.

E. C. RENWICK to be accountant, Port of Spain, Trinidad.

C. L. SNYDER, head office, to be accountant, Saint John, N.B.

The following retire on pension:

H. H. HART, San Fernando, Trinidad.
S. W. ALEXANDER, Sydenham, Ont.
G. S. PINSENT, Calle Callao, Buenos Aires, Argentina.

Weekly Bank Clearings

	May 15 1941 $	Change Year Ago %	May 8 1941 $
Saint John .	2,327,511	+0.5	3,803,962
Halifax	3,171,029	+2.3	2,634,996
Moncton ...	810,029	+8.9	952,030
Sherbrooke .	867,561	—11.2	920,102
Quebec	4,898,865	—6.4	5,836,762
Montreal ...	106,329,094	+5.3	126,892,186
Ottawa	93,654,621	+159.1	119,891,708
Kingston . .	685,450	+2.0	932,164
Peterborough	685,646	+17.1	743,750
Toronto	107,964,264	—13.7	127,669,856
Hamilton ...	6,522,310	+16.4	6,908,846
Kitchener ..	1,392,269	+9.1	1,334,579
Brantford ..	1,090,238	+19.3	1,239,689
London	2,458,129	—14.5	2,811,759
Chatham ...	685,157	+15.7	750,840
Sarnia	482,523	+11.6	520,567
Sudbury	1,169,328	+3.4	980,471
St. Catharines	1,248,057	.....	1,240,930
Windsor	3,865,710	+23.4	3,538,941
Fort William	992,175	+59.1	1,115,744
Winnipeg ...	53,622,543	—50.8	84,742,233
Brandon	353,810	+22.7	448,618
Regina	5,879,980	+39.2	6,212,496
Moose Jaw .	639,363	+11.0	697,791
Saskatoon ..	1,442,807	+1.7	1,789,634
Prince Albert	421,172	+9.5	408,896
Edmonton ..	5,069,721	+21.3	5,030,913
Calgary	6,122,192	+15.4	6,282,249
Lethbridge .	600,644	+38.0	550,598
Medicine Hat	267,305	+22.1	320,843
N. W'minster	829,240	+18.7	805,419
Vancouver ..	14,661,573	—5.0	18,663,025
Victoria	1,706,729	—2.7	1,950,904

Life Insurance

Fraternal Societies New Business Down

Total Insurance in Force With Dominion Associations Also Slightly Lower — Ontario Registered Societies Have Small Gain

New insurance written by Canadian fraternal societies operating under Dominion license, in 1940, both at home and abroad, amounted to $13.7 millions, according to preliminary figures recently issued by G. D. Finlayson, Superintendent of Insurance for the Dominion. This is about 12% less than in the year preceding. The decline in business written outside the country was a little larger than the decline in Canada.

Three Show Gain

Of the 10 societies in this group, only three showed gains for the year, these being the Alliance Nationale, Catholic Mutual Benefit Association and the Sons of Scotland.

Total business in force with the Canadian group on Dec. 31 at $198.5 millions was about 1% below Dec. 31, 1939.

The 26 foreign fraternals which operate in Canada under Dominion registration, wrote new business in 1940 amounting to $6.2 millions. This was 9% less than in 1939. Business in force at Dec. 31 was 4% higher at $68.7 millions.

Provincial Registrations

In addition to the societies licensed by the Dominion, there are a number operating under provincial license. Figures supplied by the Ontario Department of Insurance for provincial licensed companies show a decline in total new business written, but a gain in business in force. Increases were shown by three of the seven societies in the group.

Total insurance in force with Dominion licensed societies at Dec. 31 at $267.2 millions was but very slightly lower than at the close of the previous year, while new insurance written was down $2.4 million, or about 10%.

If the Ontario fraternals are added, the total new business written shows a decline of $3.1 millions with insurance in force up $1.7 millions.

Comparative figures follow:

Canadian Fraternal Societies
Dominion Registered

	New Net Business 1940 $	New Net Business 1939 $	Net Business in Force 1940 $	Net Business in Force 1939 $
Alliance Nationale, a	4,729,350	4,119,700	30,349,347	28,813,216
b	384,400	662,050	4,098,896	4,403,034
c	5,113,750	4,781,750	34,448,243	22,216,250
Artisans Canadiens Français, a	2,187,750	2,403,500	31,839,226	30,952,174
b	695,750	706,600	13,949,671	13,907,451
c	2,883,500	3,110,100	45,788,897	44,859,625
Canadian Woodmen of the World, a c ..	125,150	324,500	3,043,854	3,239,373
Catholic Mutual Benefit Assn., a c	4,000	2,250	2,561,613	2,698,933
**Commercial Travellers Assn., a c	*	*	*	*
Grand Orange Lodge of Brit. America, a	160,100	236,000	3,788,953	3,823,271
b	1,000	2,000	103,105	108,046
c	161,100	238,000	3,892,058	3,931,317
Independent Order of Foresters, a	1,532,500	2,514,000	31,951,024	34,309,813
b	3,538,611	4,196,242	71,574,681	73,783,033
c	5,071,111	6,710,242	103,525,705	108,092,846
Italo-Canadians, a c	16,600	20,700	177,614	190,848
Sons of Scotland, a c	373,500	347,625	4,463,624	4,394,192
Ukrainian Mutual Benefit Assn., a c	11,000	13,900	635,675	641,825
Total, a	9,139,950	9,982,175	108,810,930	109,063,645
b	4,619,761	5,566,892	89,726,353	92,201,564
c	13,759,711	15,549,067	198,537,283	201,265,209

a—In Canada. b—Out of Canada. c—Total.
**Date of return Nov. 30, 1940.
*Amounts cannot be conveniently given as full benefits are applicable only to members who have completed 15 or more years of continuous service.

Foreign Fraternals in Canada
Dominion Licensed

	New Net Business 1940 $	New Net Business 1939 $	Net Business in Force 1940 $	Net Business in Force 1939 $
Aid Assn. for Lutherans	173,250	115,500	1,581,341	1,444,886
American Mutual	......	......	424,571	454,486
Assn. Canado-Américaine	487,400	520,700	2,932,224	2,732,106
Broherhood of Railroad Trainmen	837,500	477,830	13,417,285	13,305,610
Catholic Order of Foresters	131,576	168,300	10,564,143	11,162,444
Croatian Fraternal Union	124,300	328,000	2,262,500	2,190,500
Expressmen's Mutual	......	......	48,990	55,500
First Catholic Slovak Ladies' Union	1,750	2,000	144,655	144,156
First Catholic Slovak Union	38,000	36,500	567,000	557,000
Jewish National	51,100	109,450	389,881	356,243
Knights of Columbus	1,876,000	1,927,000	18,241,166	17,549,494
Ladies' Catholic Benevolent Assn.	500	......	198,747	206,844
Lutheran Brotherhood	41,550	31,000	648,710	638,930
Lutheran Mutual	......	......	324,110	347,103
Maccabees	1,994,626	2,715,750	9,114,296	9,290,472
Ministers Life and Casualty Union	61,500	93,500	788,967	748,500
Modern Woodmen	27,350	42,250	1,324,588	1,430,878
National Fraternal Society of the Deaf ..	3,000	1,000	156,124	157,513
National Slovak Society	......	12,250	319,030	327,058
Royal Arcanum	100,500	144,000	2,479,522	2,605,611
Slovene National Benefit Society	2,750	4,750	168,300	175,950
Sons of Norway	13,500	29,500	152,750	160,000
Ukrainian National Assn.	218,500	46,000	237,008	62,008
Woman's Benefit Assn.	86,850	124,250	1,932,672	1,969,595
Women's Catholic Order of Foresters ...	1,750	500	143,329	150,579
Workmen's Circle	18,400	9,100	192,000	189,100
Total	6,291,651	6,939,130	68,754,109	68,412,566
Total Canadian and Foreign	20,051,362	22,488,197	267,291,392	269,677,775

Provincial Licensed Societies

	New Net Business 1940 $	New Net Business 1939 $	Net Business in Force 1940 $	Net Business in Force 1939 $
Canadian Order Chosen Friends	862,600	1,251,920	6,784,491	6,697,705
Canadian Order of Foresters	1,160,250	1,540,500	32,569,785	33,693,511
Civil Service Mut. Benefit Society	67,500	130,769	1,080,811	1,093,374
Ontario Comm. Travellers Assn.	56,504	56,357	1,492,764	1,507,471
Ontario Secondary School Teachers Soc.	94,000	1,080,000	1,006,000	1,004,000
Sons of England Benefit Sec.	28,000	36,500	854,075	866,069
Union St. Joseph du Canada	3,116,215	2,031,500	19,743,898	16,470,749
Total Ontario license	5,391,069	6,127,546	63,531,824	61,332,879
Total Dominion and Ontario license	25,442,431	28,615,743	332,822,216	331,110,654

Life Insurance Sales Increase

Life insurance sales in Canada and Newfoundland are maintaining the upward trend that developed in March.

Sales in April at $35.3 millions were 9.8% higher than in April, 1940.

Increases were shown in all of the 10 areas indicated, except British Columbia and Nova Scotia, where declines were substantial at 12.6% for British Columbia and 13.2% for Nova Scotia.

The best gain per cent was in Prince Edward Island at 39%. Ontario sales were 10% higher and Quebec, 14% up. Sales for the first four months at $128.9 millions are about 1% higher than a year ago.

The figures are supplied by the Life Insurance Sales Research Bureau and are based on the experience of 18 companies representing 85% of the new ordinary life insurance in Canada and Newfoundland. They represent new settled for ordinary insurance, exclusive of increases, revivals, dividend additions, reinsurance acquired, pension bonds without insurance, annuities and group insurance.

Comparative figures follow:

Life Insurance Sales in Canada and Newfoundland

	—April— —000's of $— 1941	1940	Change %
Alberta	1,522	1,212	+25.6
Brit. Columbia	2,391	2,739	—12.6
Manitoba	1,854	1,668	+11.1
New Brunswick ..	899	802	+12.1
Nova Scotia	1,337	1,355	—13.2
Ontario	15,949	14,496	+10.0
Prince Ed. Island .	231	166	+39.0
Quebec	9,939	8,716	+14.0
Saskatchewan	877	745	+17.7
Newfoundland	399	349	+14.3
	35,398	32,248	+9.8

Sales by Months, 1938-1941
(000's of $).

	1938	1939	1940	1941
Jan.	31,287	28,767	33,726	28,326
Feb.	31,796	29,202	31,820	31,500
Mar.	33,461	31,710	30,265	33,700
Apr.	30,612	26,357	32,248	35,398
May	31,016	30,123	31,779	....
June	35,660	32,226	28,530	....
July	30,635	20,902	28,159	....
Aug.	28,446	26,494	24,693	....
Sept.	27,928	34,262	26,156	....
Oct.	32,372	31,900	31,210	....
Nov.	37,167	33,034	32,899	....
Dec.	36,475	34,759	33,727	....
Totals	386,855	368,726	365,217	....

Stopped Auto Held Liable

An example of the hazards to which every automobile driver or owner is subject was given in an Ontario court recently when the widow of a man killed in a highway accident was awarded $17,000. The circumstances of the case were as follows:

Mr. A was riding a motorcycle on the highway carrying his wife as a passenger. A car approaching from the opposite direction stopped suddenly to make a left-hand turn. Another car following it had to swerve sharply across the road to avoid hitting the stopped car. In doing so, it collided with the motorcycle, killing the driver and injuring the wife.

Damages Divided

The judge awarded the widow $5,000 personal damages and $12,000 under the Fatal Accidents Act. He assessed 65% of the damages or $11,050 to the man driving the car which stopped suddenly, and 35% or $5,950 to the man driving the car which actually struck the motor cycle.

Cases such as this illustrate the desirability of having adequate insurance. Standard limits for public liability in automobile insurance policies are $5,000 for injury to any one person and $10,000 for any one accident. Many drivers prefer to carry limits of $10,000 and $20,000 and often much higher.

Defending the Case

But even where a motorist is not at fault, he is not immune from actions being taken against him. The defense of these actions may cause him heavy expense before he can clear himself of blame. The standard automobile insurance policy, however, binds the company to defend any action that may be brought against the policyholder and thus relieves him of all expense and inconvenience in the matter.

In 1940, insurance companies paid losses amounting to over $12.5 millions. This did not include adjustment expenses and money paid out in defense of claims where the policyholder was later proved to be blameless.

Northwestern Mutual Celebrates 40 Years

The Northwestern Mutual Fire Association this year celebrates its 40th anniversary. Policyholders in Canada and the United States total over 225,000. Since it commenced business in Canada it has indemnified Canadian policyholders for losses exceeding $5.9 millions and paid them over $3.6 millions in dividends on their insurance premiums. The company was licensed by the Dominion Department of Insurance in 1918.

Surplus at the end of 1940 was $2.4 millions or $225,330 more than at the end of the previous year. Assets rose $823,537 to a new figure of $9.8 millions. At the beginning of April it had on deposit with the Receiver-General, for the protection of Canadian policyholders, securities with an accepted value of $659,065.

MOVES UP

J. E. Haskins has been appointed assistant general manager of the Norwich Union Fire Insurance Society under E. M. Whitley, general manager for Canada.

THE DOMINION LIFE ASSURANCE COMPANY

A full range of contracts is provided by the Dominion Life meeting every type of insurance need.

ESTABLISHED 1889 — HEAD OFFICE — WATERLOO ONTARIO

THE Dominion of Canada GENERAL Insurance Company
Established 1887
Fire Casualty Life

Meet the Ambassador of Financial Security -representing Imperial Life

THIS is the man to whom thousands of doubting, harassed men have listened, and who now doubt no more.

He carries the means to help you bring your plans to fruition, the means of making dreams become realities. Helpful plans, which, with even a moderate annual saving, can guarantee a comfortable income in the future, far larger than if the same money had been saved in any other way. Imperial Life plans are adaptable to your individual circumstances.

To free your mind from worry about the future, to provide protection for your family, education for your children and an income for yourself when you can work no more—do as so many farsighted men are doing now-a-days—see the Imperial Life representative today.

LET US SEND YOU THIS BOOK

The title is: *"How People Use Life Insurance."* You'll find it very helpful. It is free. Write Imperial Life Assurance Co., 20 Victoria Street, Toronto, Ont.

IMPERIAL LIFE

In the land of the free

Even some of our enemies realize that individual security is to be found only in an English-speaking democracy.

Striking evidence of the love of independence and freedom existing in English-speaking democracies is found in the fact that three-quarters of all the life insurance in the world is owned in the British Empire and the United States.

Canadians already this year have purchased the record amount of forty-two million dollars of new life insurance from this Company. They now hold London Life policies amounting to $725,000,000 (net).

If you are concerned in these days about financial security for yourself and family, take advantage of the helpful suggestions that can be given to you by a London Life representative.

London Life
ESTABLISHED 1874
Insurance Company
Head Office - London, Canada

SYSTEMATIC SAVING BEST

Determine the amount of money you intend to save, and budget your controllable expenses accordingly. We'll help you. Open a Savings Account with us. Your money will be available at any time it is required. When you subscribe to a war purpose or a government loan, issue your cheque and keep within your budget.

CANADA PERMANENT Mortgage Corporation

Head Office, 320 Bay St., Toronto

Assets Exceed $67,000,000.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Brown Company

What progress has been made in the reorganization of the Brown Co.? What will bondholders receive in the settlement?

Reorganization of Brown Company has been approved, and new securities are expected available for exchange in June or July this year. Under the terms of the reorganization which permit a loan of up to $10 millions from the Reconstruction Finance Corporation, it is understood that the total to be borrowed will amount to only $6 millions.

Holders of each $1,000 bond will receive:

1. $600 in principal amount of General mortgage 5% cumulative bonds, maturing Dec. 1, 1959.
2. Voting trust certificates for six and one half shares of the new $6 cumulative convertible preferred stock ($100 par value convertible into seven shares of new common stock).
3. Voting trust certificates for 28 shares of new common stocks.
4. $1.67 in cash and a voting trust certificate for one twentieth of a share of new preferred stock for each series A bond and $1.25 in cash and a voting trust certificate for one tenth of a share of new preferred stock for each series B bond.

Sherwin-Williams

Has Sherwin-Williams preferred stock sold much below current prices in recent years? What is the current yield on the stock?

The lowest price at which Sherwin-Williams preferred sold since 1918 was $39 in 1933. Prior to the depression, the lowest point reached was $80 in 1922. There have thus been two major depressions in which the stock sold at substantial discount. But with these exceptions Sherwin-Williams preferred has generally held at close to and sometimes well above par. Earnings have been above dividend requirements in every year since the fiscal year ended Aug. 31, 1935. In its latest fiscal year, the preferred earnings were $15.58 per share. The company occupies a strong position in the industry.

Current quotations on Sherwin-Williams of Canada 7% preferred stock are around 108-109. As the shares still carry $1.75 arrears of dividends, after allowing for the extra payment to be made in July, the amount of $1.75 should perhaps be deducted from the purchase price in calculating the return. In making this deduction the purchase price would be 106.25 to 107.25 and the annual rate of return would be roughly 6½%.

Great Lakes Paper

What are the prospects of the common and preferred shares of Great Lakes Paper selling at better levels?

Prospects for higher prices on the preferred and common shares of Great Lakes Paper Co. are largely dependent on action of the stock market as a whole. Although basic background factors such as general business activity, trends of commodity prices and company earnings and dividends appear favorable for higher prices, this has been offset by the psychological effect of the war situation and taxation.

As regards the position of Great Lakes Paper Co. itself, it was forecast at the recent annual meeting that volume of newsprint sales for this year would at least equal those of last year. Demands for unbleached sulphite pulp have increased materially. In spite of higher material and supply costs, it is expected that profits for 1941 will be as good as in 1940 when the company earned $1.59 a share on the combined A and B preferred stocks. Last year saw a noticeable improvement in the liquid position with cash on hand and Dominion bonds more than equal to total current liabilities at the end of the year.

With the company now paying dividends at the full $2 annual rate, some added interest in the shares is caused by virtue of the $8.25 a share arrears which still exist. Investment position of the newsprint industry would likely be substantially altered at the close of the war when post-war readjustments would be complicated by a probable return of competition from Scandinavia.

NEW DIRECTOR

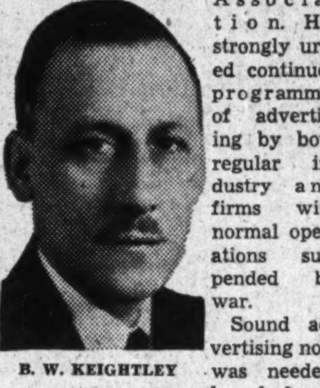
L. Phillips, K.C., of Montreal, who has been elected a director of C. W. Lindsay Co. Ltd. at the annual meeting

Sustained Advertising In Wartime Urged

Whether to keep up advertising in wartime has become a live question for many business firms. Demands of the war effort on industry, growing pressure to curb public spending, and changed conditions created by war for business generally, have raised the issue of normal advertising versus curtailed outlay.

The problem in many cases is: Should advertising be sustained despite diversion of plants to war supply, the wartime curbs on both production and markets, and official efforts to restrict civilian buying?

A decisive "Yes" was the answer given by B. W. Keightley, advertising manager of Canadian Industries Ltd., in an address before the Toronto Graphic Arts Association. He strongly urged continued programmes of advertising by both regular industry and firms with normal operations suspended by war.



B. W. KEIGHTLEY

Sound advertising now was needed, he declared, not only in industry's own interest, but as a "vital contribution" to Canada's wartime economy and prosecution of the war. Continued advertising through the war could not properly be classed, he felt, as either wasteful business spending or as clashing with the Government's aim to restrain public demand for goods and divert productive resources to war needs.

Chief Factors

Mr. Keightley stressed three main factors:

1. Government itself has become one of Canada's largest buyers of advertising, using it as the democratic way to tell the needs of the war effort and to enlist public support. It was significant, he thought, that the Government chose to explain and appeal through advertising, rather than rely on the peremptory commands of dictators. Ottawa has turned to advertising for the war loan, war savings and income tax installment campaigns, to speed recruiting and to help dispose of wartime crop surpluses.

2. Firms whose output had been switched to war supply, limited by curbs on war buying, or cut by loss of markets, should keep contact with customers through interpretative advertising. This would serve not only to explain the position and job of the company under war conditions; but to hold potential customers for the postwar days when the firm must once more sell in a competitive market. Mr. Keightley pointed to the extensive advertising of this type being done by British concerns.

3. Companies still engaged in meeting civilian demands should continue to advertise to ensure that industry as a whole can meet wartime demands. In addition to supplying essential civilian needs, regular industrial activity assured a potential reserve of war supply production. It also created the maximum of earnings by both labor and capital for the Government to tap for war taxes, savings and loans.

Composite View

Mr. Keightley said his answer on the third phase of the problem was not his alone, but "a composite of views of responsible executives—advertisers, agency men, publishers, financial men." Decision must rest with the Government, he felt, as to when production for civilian purposes is to be reduced or diverted to meet war needs. So that it may be ready when called upon to meet such needs, he said, the industrial machine should be kept running at normal tempo.

"To keep our plants running we must sell, and to sell we must advertise," Mr. Keightley declared.

The patriotism and conscience of Canadians, he believed, could be depended upon to respond to Government appeals to restrain ordinary buying in wartime and to avoid luxury or wasteful spending. They could also be relied on to divert as much as possible of their income and savings to help finance the war effort.

Mr. Keightley also pointed out that any widespread curtailment of normal advertising would inflict considerable hardship on newspapers, magazines, business papers and other media dependent on advertising revenue. These were not only "vital to businessmen" as channels of sales promotion and interpretative advertising, he pointed out, but were "indispensable to our war effort." They were giving valuable aid, he said, in forming public opinion, maintaining wartime morale, keeping the country informed on progress of the war effort, and supporting war finance drives.

DACK'S

Shoes illustrated—in black or brown—$11

DOUBLE

Your "MILEAGE"... Your COMFORT ...Your SATISFACTION

Dack Shoes are famous for long wear—because they are sturdily built of the finest leathers. Many customers state that Dack's wear twice as long as ordinary shoes, and that means real economy.

Dack Shoes fit like a glove—give you solid comfort in double measure.

The longer you wear Dack's the more you will be pleased with their durability and lasting good looks. For complete satisfaction in footwear, buy Dack's.

Mail Orders Filled—Write for Catalogue

Dack's SHOES FOR MEN

DS-241

73 King Street West, Toronto

SHOPS IN PRINCIPAL CANADIAN CITIES

Envelopes for every purpose

Barber-Ellis of Canada, Limited

TORONTO - BRANTFORD

BRANCHES FROM COAST TO COAST

"Britain Delivers the Goods"

and still continues to produce fine woollens, despite heavy enemy action.

An exceptionally fine assortment of worsteds and tweeds for Spring wear have now arrived. May we have the pleasure of showing you these fabrics.

Levy Bros.

69 KING STREET WEST, TORONTO

Company Reports

New England Power

New England Power Association, controlled by International Hydro-Electric System, increased gross earnings by $2.1 millions in 1940 over 1939. After all charges, and providing full dividends on the preferred, consolidated net profits equalled 28 cents a share on the common against $1.19 a share for 1939.

Arrears of $5.50 a share remained on the 6% preferred at the end of 1940 and of $1.83-1/3 a share on each $2 dividend preferred share. Since then $1 a share has been paid on the 6% preferred and 33-1/3 cents a share on the $2 preferred.

Operating revenues for 1940 were up only slightly over 1939 level but taxes were up over 12%. Out of every dollar of revenue received by the operating subsidiaries in 1940, 19.26 cents was paid out in taxes of various kinds.

The year 1940 saw a peak record set for total electric sales, 8.16% over 1939. Downward trend of gas sales was arrested last year and sales for industrial purposes rose 11.87% over 1939.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross earning	59,027,514	56,885,460
Less: Exps. & depr.	31,449,449	29,672,179
Taxes	11,370,756	10,135,358
Net earnings	16,207,309	17,077,923
Less: Int., subsid. pfd. divds., min. interest	11,963,333	11,982,182
Net profit	4,243,976	5,095,741
Less: Divds. paid	3,977,518	3,646,064
Surplus for year	266,458	1,449,677
Add: Prev. surplus	17,583,026	17,255,143
Reserves w/b	......	449,990
Less: Street rly. aband.	1,204,630	964,762
Addit. inc. taxes	745,116	......
Assets w/d	272,812	528,138
Other surplus chgs.	3,309	78,884
Earned surplus fwd.	15,623,618	17,583,026
Working Capital	$	$
Current assets	20,319,381	17,423,352
Current liabilities	11,775,887	12,404,600
Working capital	8,543,494	5,018,752

Saguenay Power

Saguenay Power Co. reports decline of about $45,000 in operating revenues for the three months ended March 31 as compared with the corresponding quarter of 1940. Higher expenses and taxes further reduce earnings.

As a result, net profits for the first quarter amount to only 25 cents a share on the common after allowing for regular preferred dividends, against $1.14 a share for the 1940 period. Dividends paid on the common, 1941 period, were 75 cents a share, reduction of 25 cents from the 1940 rate.

Consol. Income and Surplus Account
Three Months Ended March 31

	1941 $	1940 $
Operating revenue	1,193,838	1,238,282
Less: Oper., maint., etc.	253,818	165,373
Taxes other than inc.	83,568	80,887
Net earnings	856,452	992,022
Add: Other income	33,502	19,354
Total earnings	889,954	1,011,376
Less: Debt interest	363,867	368,686
Amortiz. debt exp.	44,144	44,144
Depreciation	181,954	177,511
Income & E. P. taxes	158,634	91,143
Unreal. exch. profit	......	21,441
Net profit	141,355	308,451
Less: Pref. divids.	68,752	68,752
Common divids.	157,500	210,000
Surplus for period	*84,897	29,699
Add: Previous surplus	3,717,295	3,647,697
Surplus forward	3,632,398	3,677,396

*Deficit.

Canada Crushed Stone

Heavy demand for the products of Canada Crushed Stone Ltd., Hamilton, in 1940, for building airports, resulted in more than average yearly tonnage according to C. M. Doolittle, president. Operations are still higher than normal.

All outstanding bonds were retired during the year, and dividends of 40 cents per share paid on the common stock, now the only form of capital outstanding.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating profit	162,528	65,099
Add: Interest earned	1,859	3,216
Gross income	164,387	68,315
Less: Interest paid	2,501	6,236
Deprec. & depletion	101,126	46,366
Income taxes	22,927	3,245
Net profit	37,833	12,468
Less: Dividends	24,314	......
Surplus for year	13,519	12,468
Add: Previous surplus	865,739	126,321
Disc't on pfd. red.	......	70,050
Tsf. from capital	......	672,438
Prof. sale secs.	1,477	324
General stone sale	106	......
Bond res. w/o	1,172	......
Less: Listing expenses	2,466	......
Prior yr. taxes	......	563
Loss on land sale	......	15,299
Surplus forward	879,547	865,739
Earnings per Share:		
Common: Earned	$0.59	$0.20
Paid	0.40	......
Working Capital		
Current assets	264,732	191,450
Current liabilities	62,134	20,326
Working capital	202,598	171,124

David & Frère

David & Frère Ltée., manufacturers of plain and fancy biscuits and candies in Montreal, reports net profits for the year ended March 31, 1941, $2.07 a share on the 23,000 class A shares before allowing for participation with the class B. As the company changed its year end in 1940, its last previous report covered a 15-month period and a strict comparison is not possible. Dividends of $1 a share were paid on the class A last year.

Sales increase is reported by deGaspe Beaubien, president, but this was more than offset by higher taxes and rising cost of raw materials.

Income and Surplus Account

	12 mos. ended Mar. 31 1941 $	15 mos. ended Mar. 31 1940 $
Operating profit	90,910	148,110
Less: Depreciation	17,681	23,442
Income taxes	25,630	21,574
Net profit	47,599	103,094
Less: Class A divids.	23,000	36,800
Surplus for period	24,599	66,294
Add: Previous surplus	133,044	54,875
Deprec. not required	......	12,002
Profit on assets	1,150	*127
Less: Tax adjustment	6,693	......
Surplus forward	152,100	133,044
Working Capital		
Current assets	343,171	298,885
Current liabilities	80,945	41,978
Working capital	262,226	256,907

*Loss.

Photo Engravers

Operating profits of Photo Engravers & Electrotypers Ltd., Toronto, for the year ended Feb. 28, 1941, were about $4,000 higher than in the previous year, a gain not sufficient to meet higher taxes which rose over $10,000. Net profits as a result were down nearly $6,000.

Additions to plant and equipment in the period were heavy, amounting to $116,466. After writing off obsolete equipment of $12,550, the net addition to fixed assets was $103,916. The greater part of this expense was in bindery machinery and directors do not anticipate more than normal additions to capital account in the coming year. Operations were at near capacity throughout the year. More favorable results would be expected ordinarily, but higher and unexpected costs were experienced against which there was no corresponding increase in selling price.

Income and Surplus Account
Years Ended

	Feb. 28 1941 $	Feb. 29 1940 $
Operating profit	150,916	147,102
Add: Bond int.	5,238	4,368
Less: Directors' fees	400	340
Exec. & legal	36,420	32,950
Depreciation	49,015	52,411
Income taxes	25,496	15,071
Net profit	44,823	50,698
Less: Dividends	30,000	45,000
Surplus for year	14,823	5,698
Add: Previous surplus	345,039	339,691
Less: Adjustments	1,021	350
Surplus forward	358,841	345,039
Earnings per Share:		
Common	$1.49	$1.69
Paid	1.00	1.50
Working Capital		
Current assets	522,880	516,284
Current liabilities	109,253	50,966
	413,627	465,318

Can. Ingersoll-Rand

Annual report of Canadian Ingersoll-Rand Co. for 1940 shows net profits of $756,497 compared with $713,361 for 1939. The 1940 results are equivalent to $3.97 a share on the 190,400 shares of common outstanding.

Balance sheet shows working capital of $3.4 millions compared with $3.9 millions at the end of 1939. Cash on hand at Dec. 31 last totalled $983,782 and the company also held investments shown at book value of $1,020,827, about $10,000 less than market value. Out of total assets of $5.5 millions, $4.5 millions are listed as current assets.

Income and Surplus Account
Year Ended Dec. 31

	1940 $
Operating profit	1,233,506
Less: Exec. & legal remuner.	89,246
Tax provision	445,000
Add: Interest income	30,082
Subsid. dividends	24,805
Profit on asset sale	2,350
Net profit	756,497
Less: Dividends paid	904,400
Deficit for year	147,903
Less: Previous surplus	3,065,771
Earned surplus forward	2,917,868

Note: Depreciation provided amounted to $83,768 of which $82,180 was charged to cost of production and $1,587 to expenses.

Working Capital
As at Dec. 31, 1940

	$
Current assets	4,513,110
Current liabilities	1,102,076
Working capital	3,411,034

Walkerville Brewery

Although gross operating profits increased by about one third, higher operating taxes resulted in cutting net profits of Walkerville Brewery, Ltd., Windsor, by more than half in 1940.

An extensive export business is stated to have been built up in the British West Indies, and sales for 1940 were more than doubled over 1939. Principal export outlets are Trinidad, Demerara, Bermuda, Bahamas and Barbados. Another substantial increase in this business is looked for in the coming year.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross profit	435,139	331,942
Less: Oper. taxes	358,646	249,206
Exec. salaries	13,800	13,575
Legal fees	5,651	2,821
Directors' fees	300	......
Operating profit	56,742	66,340
Add: Misc. income	7,136	9,610
Total income	63,878	75,950
Less: Depreciation	33,786	32,998
Income taxes	17,000	12,000
Net profit	13,092	30,952
Less: Dividends	18,750	9,377
Surplus for year	*5,658	21,575
Add: Prev. surplus	38,751	17,176
	33,093	38,751

*Deficit.

	1940	1939
Earnings per Share:		
Common	$0.03	$0.08
Paid	0.05	0.02½
Working Capital		
Current assets	472,829	411,166
Current liabilities	89,021	28,981
	383,808	382,185

Canada Machinery

Annual report of Canada Machinery Corp. for the year ended Jan. 31, 1941, is the first to reflect the consolidation of the subsidiary Sandilands Valve Manufacturing Co. and the reorganization effected in 1940. Figures for the previous year are therefore not comparable with the latest report.

To net profits shown for 1940 must be added subsidiary profits of $14,686, while total taxes paid by the two companies in the 1940 fiscal year were $19,508.

Sales for the year exceeded those of any year in the company's history and results for the present year are expected to be satisfactory as a result of the large number of unfilled orders on hand. The Sandilands Valve products replace to a large extent products imported previously, and its activities thus help conserve foreign exchange.

Income and Surplus Account
Years Ended Jan. 31

	*1941	1940
Operating profit	383,240	113,520
Less: Exec. sals., legal fees	22,006	11,151
Directors' fees	1,750	1,900
Reorg. exp.	8,535	......
Depreciation	63,564	16,124
Income taxes	169,409	15,833
Net profit	108,576	62,334
Less: Pref. divds.	21,087	......
Surplus for year	87,489	62,334
Add: Prev. surplus	150,130	72,210
Profit on assets	549	......
Sundry	......	12
Less: Tsf. to cap. surp.	31,200	......
Bldg. w/o	6,806	......
Patents w/o	8,387	......
Prior yr. taxes	4,036	......
Surplus forward	187,739	134,556

*Consolidated statement in 1941.

	$	$
Working Capital		
Current assets	651,612	403,233
Current liabilities	319,684	168,939
Working capital	331,928	234,294

Auto Sales Climb Sharply

A marked gain in sales of new motor vehicles through Canada during March was sufficient to offset declines in the first two months of the year, and put cumulative totals for the first quarter ahead of the same period in 1940.

Buying of all types of vehicles in March was up 13% in number of units and 29% in retail value, putting the value figure for the first three months 13% ahead of last year. Sales of new passenger cars jumped 7.5% in number and 26% in value, while truck and bus sales were up 35% in number and 42% in value.

J. P. LANGLEY & CO.
C. P. ROBERTS, F. C. A.
Chartered Accountants
TORONTO KIRKLAND LAKE ONTARIO

YOUR HEIRS WILL BENEFIT

When you appoint a permanent, experienced trust company as executor of your estate, you know that your dependents will be protected against unnecessary legal expenses and unwise investments and assure the economical administration of your will.

We Invite Consultation

MONTREAL TRUST COMPANY

Montreal Trust Building

61 Yonge Street Toronto

J. F. HOBKIRK, Manager

WAR LOANS...TAXES—and Your Investment Portfolio

● Does the patriotic duty of investing substantial amounts in Dominion War Loans—combined with the necessity of providing for sharply increased income taxes — constitute a problem for you?

If so, we suggest an early conference with one of our officers, looking toward a review of your investment portfolio, and an explanation of the ways in which our Management Service can be of direct and definite assistance.

Call, telephone or write

THE ROYAL TRUST COMPANY

4104M

HELP YOUR EMPLOYEES STAND ON THEIR OWN FEET

Thrift among your employees should be encouraged for a number of reasons. Thrifty people are usually reliable, hard-working, and able to shoulder responsibility. Thrifty people usually provide for their dependents and for their own retirement years.

A Great-West Life Salary Savings Plan will enable your employees to pay for their own life insurance protection and savings in convenient monthly salary deductions. It will foster goodwill and cooperation and will help to stabilize personnel. It will help employees stand on their own feet, and it will entail no expense on the part of the employer.

GET IN TOUCH WITH THE GREAT-WEST LIFE MAN

The GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE — WINNIPEG, CANADA

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MAY 19

Mining Stocks

Week Ending May 19.

Oil Stocks

Vancouver Stocks

Oil Quotations

25c.	.08	.05	Prairie Royal	......	(.05 bid	.... asked)	
No	.15	.07	Royal Canadian	1,000	.07	.07½	.07½ .07½
No	*.10½	.06	Royal Crest	......	(.... bid	.... asked)	
No	22.00	17.12	Royalite	......	(18.00 bid	19.25 asked)	
No	*.07½	.03	South End	......	(.... bid	.... asked)	
No	.25	.10	Southwest Pete	100	.20	.10	.10 .10
1	.05½	.02½	Spooner	......	(.03½ bid	.... asked)	
25c.	.14	.10	Sunset Oil	2,500	.13	.10	.10 .10
No	.04½	.03	United	......	(.03 bid	.04 asked)	
No	.04½	.04	Vanalta	......	(.03 bid	.04½ asked)	
1	.38½	.20	Vulcan	......	(.25 bid	.40 asked)	
No	*.05	.02	West Flank	......	(.... bid	.... asked)	

*Quotations for 1940.

Winnipeg Stocks

(Transactions from May 12 to May 17)

	Sales	High for period	Low for period	Close May 17
Beaver Lumber, com.	22	3.50	3.50	3.50
Dominion Envelope, pfd.	10	96.00	96.00	96.00
Great West Life	10	200.00	200.00	200.00
Monarch Life	13	33.00	33.00	33.00
Sachigo River	100	2.75	2.75	2.75
Traders Finance, A pfd.	7	80.00	80.00	80.00
United Grain Growers	31	9.75	9.50	9.75
Western Steel	25	6.75	6.75	6.75
Wingold	3,763	.08½	.07	.08½

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Fed. Grain, pf.	27	30
Beav. Lumber, p.	102	105	Home Invest.	14	..
Can. Airways	1	..	Nor. Can. Mtg. p.	5	..
Can. Indemnity	150	..	North. Trusts	7	..
Corr. P. Box, c.	.60	..	Traders Bldg.	43	..
Cres. Cream., p.	10½	12	West. Brew.	1⅞	2
Dom. Envelope p	..	97½	West. Grain, p.	..	9
Fed. Grain, c.	.50	..	Wings	.15	.75

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
May 20	5,600	3,700	71,000	......
May 19	7,000	31,600	136,000	......
May 17	3,800	2,500	90,000	9,915
May 16	4,400	5,200	114,000	8,000
May 15	10,100	5,500	124,000	18,300
May 14	12,200	5,100	123,000	1,850

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

*-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 20, 1941

Industrials:	Bid	Ask.		Bid	Ask.		Bid	Ask.
Acme Farm., pf.	34	36½	Mt. Royal H., c.	2½	3½	Brit. Amer.	51	55
Andian National	26½	28	Morrison Br. un.	4½	6	Canadian Fire	81	85
Anglo C. Tel., A	7½	7½	N. B. Tel., c.	10	12½	Confed. 30% pd.	135	140
Atlas Steel	7½	7½	Neilson, Wm., c.	9	..	Continental L.	35	
Barrymore, pfd.	28	..	Do., pfd.	100	..	Crown, fully pd.	250	265
Blue T. Brew. A	9½	10½	N. Meth. Ldy. p	53	57	Dominion Fire	138	..
Do., B	6	7	Ont. Tobacco, p.	17	20	D. of Can. Gen.	111	120
B. C. Pulp, c.	9	11	Pac. C. Term., c.	9	10½	Empire, 25% pd.	6	7
Do., pfd.	55	60	Paterson, Wm. p	103	..	Excelsior 38% pd	70	..
B. C. Sugar	73½	76	Prov. Paper, pfd	104	105½	Federal, 25% pd.	52	..
B. C. Tel., 1st p.	111	114	Ruddy, E. L., p.	22	25½	Great-West Life	200	210
Burns & Co., A	4	4½	Stand. Fuel, p.	58	62	Halifax Fire	15½	16½
Do., B	2	3½	Stedman, pf. $50	56½	58	Imperial Life	300	315
Can. Co-op. Wl.	8	..	Tor. Carpet, c.	40	..	Manufac. Life	225	245
C. I. L., A c.	190	..	Do., pfd.	64	67	Monarch Life	32	..
Do., pref.	166	170	Un. F. Co-op.	2½	3½	National Life	25	28
Do., B	165	175	Un. Steel, A pf.	21½	23½	Sov. L. 25% pd.	11½	..
Can. Ing. Rand	72	77	Viceroy Mfg., p.	23½	..	Sun Life	300	320
Can. Mot. L.A.B.	2½	..	Do., com.	12½	..	Tor. General	4½	5½
Can. Tube, 1st p	88	..	Westons Hold.	3	..	Wellington Fire.	38	..
Can. West'ghouse	42	44	**Trusts & Loan Stocks:**			Western Assce.	41	44
Chase, A. W., p.	18½	20	Brit. Mtge.	122½	132	**Theatre Stocks:**		
Claude Neon, p.	4½	5½	Brockville Tr.	41	..	Allen's King. un.	50	..
Colonial Steam.	13½	16	Capital Tr.	30	32½	Do. St. Cath. un	50	..
Copeland Fl. un.	13½	14½	Com. Fin., c.	2½	3	Manaf. Theat. p.	28	31
Dom. Manuf., p.	61	65	Grey&Br. Tr. $50	42	46	Para. Kitch., p.	30	..
Dunlop T. p. $25	23½	24½	Guaranty Trust	100	103	Do., Oshawa c	8½	10
East. Steel, pf.	19	22½	Guelph & O. $50	50	53½	**Investment Trust Shares:**		
Easy Wash. p $10	10	12	Indust. Mtge.	24	..	Can. Investors	4	5
Goderich Elev.	6½	7½	Lambton Loan	30	33	Inv. Found. un.	40	45
Guelph Carp., c.	18	21	London & West.	34	37	Sec's. Hold., pf.	18½	21
Gurney Fdry., p	1	1½	Midland Loan	14	15½	United Corp., A	19	21
Hayes Steel, c.	..	9	Premier Trust	61	..	Do., B	3½	4
Hi'land Dairy, p	48	51	Sherbrooke Tr.	120	..	**Power Issues:**		
Homewood San.	100	120	Sterling Trust	50	60	Can. W. N. Gas	25	..
Kingst. Ship. un	28	30	Traders Fin. A c	7½	9½	Do., pfd.	102	104½
Loblaw Inc., c.	11	12	Do., A pfd.	83½	87	Gt. Lakes Pr., p	101	103
Maritime Tel., c.	14½	..	Trusts & Gr. new	50	52½	Int. Ut., $1.75 p.	14	..
Minn. & Ont. P. c	2½	2½	Victoria Trust	75	80	Do., $3.50 p.	33	..
M'row Screw, p.	100	..	Waterloo Tr.	100	..	Mtl. Is. Pwr., p.	37	..
Do., com.	10	12	**Insurance Stocks:**			Nor. Ont. Pr., p.	70	75
Moirs, pfd.	18	..	Canada Life	400	415			

Unlisted Mines

Toronto, May 20, 1941

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 20, 1941

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

May 20, 1941

Corporation Bonds (Cont'd)

Municipal Bonds

May 20, 1941

†Halifax	5	1961	108.00	109.50	4.39
Hamilton	5	1950	108.25	110.25	3.65
Montreal	5	1945	94.00	96.00	6.20
Ottawa	4½	1945	103.50	105.50	3.10
†Quebec	5	1959	103.00	106.00	4.51
Saint John	5	1950	104.00	106.00	4.23
†Toronto	4½	1955	108.50	110.50	3.53
†Vancouver	5	1950	98.00	101.00	4.88
Winnipeg	5	1944	101.00	104.00	3.61

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.19	2.39
Can. Amer. Trust	2.70	3.05
Can. Inter. Trust	4.25	5.00
Can. Invest. Fund	3.05	3.40
Grouped Income	...	4.65
Trans-Canada	0.05	3.90

Annual Meetings

1941:	Company:	Place
May 26	David & Frere	Montreal
May 26	Levy Bros.	Hamilton
May 28	*Canadian Cottons	Montreal
May 30	Photo Engravers & Elec.	Toronto
May 31	Kerr-Addison Gold	Toronto
June 3	Can. Niagara Bridge	Hamilton
June 3	Tor. Ham. & Buff Rly.	Hamilton
June 4	Canada South. Rly.	St. Thomas
June 4	Niag. River Bridge	St. Thomas
June 5	Dom. Woollens & Worst.	Toronto
June 8	Winnipeg Elec.‡	Winnipeg

‡Adjourned from May 5.
*Annual and special.

Mining Dividends

	Rate	Close May 19	Yield %
Anglo-Huronian	‡10c	2.10	..
Aunor Gold	▴8c	1.74	..
Beattie Gold	16c	1.10	14.5
Bralorne	80c+40c	9.85	*12.2
Broulan Porc.	12c	.80	15
Buffalo Ankerite	▴10c	3.65	..
Bulolo Gold	$3	15.12	19.8
Can. Malartic	8c	.51	15.7
Cariboo Gold	16c+8c	2.50	*9.6
Central Patricia	16c+4c	1.65	*12.1
Chesterville	5c	1.25	..
Cochenour Willans	3c	.70	..
Coniagas	‡25c	1.35	..
Coniaurum	16c	1.23	13
Cons. Smelters	$1+$1.25	32.25	*7
Delnite	‡6c	.80	7.5
Dome Mines	$2	21.75	9.2
East Malartic	‡30c	2.24	13.4
Falconbridge	5c	2.50	..
Francoeur Gold	‡3c	.36	..
Goldale	‡2c	.12½	..
Gold Belt	▴2c	.28	..
Grandview	†.00½	.12	..
Gunnar Gold	6c	.24	..
Hallnor	60c	4.85	12.4
Hard Rock	▴5c	.74	..
Hedley Mascot	▴4c	.50	..
Hollinger	65c+45c	12.50	*8.8
Howey Gold	2c	.21½	..
Hudson Bay	‡$2	24.00	8.3
Inspiration	†2c	.23	..
Inter. Nickel, com.	$2	30.75	6.5
Island Mountain	▴8c	.90	..
Kerr Addison	▴17c	4.00	..
Kerr Lake	‡10c	.41	..
Kirkland Lake	10c+2c	.80	*15
Kootenay Belle	▴4c	.25	..
Lamaque Gold	‡40c+10c	4.25	*11.8
Lake Shore	$1.40	15.50	..
Leitch	8c	.49	16.3
Little Long Lac	‡30c	1.80	..
Macassa	32c+3c	4.05	*8.6
Madsen R. Lake	6c	.59	..
Malartic Gold	†5c	.90	..
McGillivray Coal	‡3c+1c	.21	..
McKenzie Red L.	12c	1.08	11.1
Moneta	12c	.40	..
McIntyre-Porc.	$2.22+$1.11	47.50	*6.3
MacLeod-Cockshutt	‡20c	1.55	..
Naybob Gold	4c	.24	..
Negus	†5c	.65	..
Nipissing	15c	1.10	..
Noranda	$4	49.50	8.1
North Empire	▴20c	5.00	..
O'Brien Gold	‡10c	.65	..
Pamour Porc.	12c	1.07	11.2
Pato Cons.	20c	2.45	..
Paymaster	‡1c	.18	..
Perron Gold	16c+4c	1.31	*15.3
Pioneer, B.C.	40c	2.10	19
Pickle Crow	40c	2.38	..
Placer Develop.	$1.20	9.00	13.3
Premier	12c	.91	13
Preston E. Dome	20c+10c	2.89	*10.3
Privateer Mines	▴6c+2c	.50	..
Quebec Gold	‡2c	.20	..
Relief Arlington	‡5c	.01½	..
San Antonio	14c+6c	2.16	*9.2
Sheep Creek	16c	.80	..
Sherritt Gordon	▴5c	.68	..
Sigma Mines	▴30c	7.15	..
Silbak Premier	16c	.80	..
Siscoe	▴4½c	.55	..
Sturgeon River	4c	.15	..
Sullivan Cons.	▴3c	.52	..
Surf Inlet	▴1c	.10½	..
Sylvanite Gold	▴14c	2.50	..
Teck-Hughes	40c+5c	2.98	*15.1
Toburn	12c+8c	1.50	*13.3
Upper Canada	▴7c	1.87	..
Ventures	▴10c	3.35	..
Waite Amulet	10c	3.25	..
Wendigo	3c	.16½	..
Wright-Harg.	‡40c+30c	5.15	*13.6
Ymir Yankee	2c	.06	..

*Yield including bonus. †Initial.
‡Paid in 1940.
▴Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, p.	$1.75	July 2	June 16
Auror Gold	4c	June 2	May 10
Aluminium	$2	June 5	May 15
Do., pref.	†$1.50	June 1	May 10
Anglo-Can. Tel., A	15c	June 2	May 15
Andian National	†$1.50	June 2	May 20
Assoc. Brew.	25c	June 30	June 14
Do., pref.	$1.75	July 2	June 14
Asbestos Corp.	15c	June 30	June 15
Do., extra	15c	June 30	June 15
Beattie Gold	4c	June 18	June 2
Bright, T. G.	7½c	June 14	May 31
Do., pref.	$1.50	June 14	May 31
Bk. of N. Scotia	$3	July 2	June 14
Brit. Amer. Oil	25c	July 2	June 12
Bank of Montreal	$2	June 2	Apr. 30
Borden Co.	30c	June 2	May 15
Bank of Toronto	$2.50	June 2	May 15
Bertram & Sons	15c	Aug. 15	Aug. 1
Bathurst Pr. P.A.	25c	June 2	May 15
Bk. Can. Nationale	$2	June 2	May 15
Canada Cement, p.	$1.25	June 20	May 30
Can. Cr. Stone	10c	June 30	June 15
Can. Dom. Sugar	37½c	June 2	May 15
Canada Dry	†15c	June 24	June 10
Can. Ind. Alc'l. A B	10c	June 2	May 15
Can. W. & Cable, A	$1	June 15	May 31
Do., B	50c	June 15	May 31
Do., pref.	$1.62½	June 15	May 31
Can. Marconi	4c	June 1	Apr. 15
Cel. of Am., pr. pf.	$1.75	July 1	June 17
Do., part. pref.	†$3.50	June 30	June 17
Corr. Pap. Box, p	$1.75	June 1	May 15
Do.,	$1.75	June 1	May 15
Commoil	1c	May 26	May 15
Commonw'th Pet.	2c	June 2	May 10
Can. Bakeries, pfd.	$2	June 1	May 22
Can. For. Invest. p.	▪$2	July 1	June 15
Con. Div. S. Sec. p	37½c	June 16	May 31
Crow's Nest Coal	$1.50	June 2	May 9
Can. Gen. Electric	$2	July 1	June 14
Cariboo Gold	4c	July 2	June 4
Do., extra	2c	July 2	June 4
Canada Vinegars	10c	June 2	May 15
Canada Malting	50c	June 14	May 31
Can. Int. Inv. Tr., p	50c	June 2	May 15
Can. Malartic	2c	June 18	June 4
Canada Cycle	30c	June 30	June 14
Do., pref.	$1.25	June 30	June 14
Cap. Wire Cloth, p.	37c	June 2	May 12
Chartered Trust	$1	July 2	June 16
Coniaurum Mines	4c	June 18	June 4
Dom. Envelope, pf.	$1.75	June 1	May 20
Dom. Foundries, c.	25c	July 2	June 20
Davies Pete.	1c	June 5	May 22
Dom. Foundries, p.	$1.50	June 2	May 20
Dome Mines	▪50c	July 21	June 30
Dom. & Ang. Inv.	$2.50	June 2	May 15
Do., pref.	$1.25	June 2	May 15
Dom. Scot. Inv. p.	▪$1.05	June 2	May 20
Electrolux	†20c	June 16	May 15
Extension Oil	1½c	May 31	May 20
Famous Players	25c	June 27	June 12
Ford Motor, A, B	25c	June 21	May 31
Granby Cons.	†15c	June 2	May 17
Gatineau Power	20c	June 30	May 31
Do., 5½% pref.	$1.38	July 1	May 31
Do., 5% pref.	$1.25	July 1	May 31
Hard Rock Gold	5c	June 21	May 31
Hallnor Mines	15c	June 2	May 10
Inspiration Min.	♦2c	May 30	May 1
Inter. Nickel, c.	†50c	June 30	May 31
Imperial Oil	25c	June 2	May 15
Inter. Petroleum	50c	June 2	May 20
Do., pref.	50c	June 2	May 20
Kerr-Addison G.	7c	June 28	June 10
Kelvinator of Can.	25c	June 10	May 27
Loblaw Groc., A, B	25c	June 2	May 10
Do., extra	12½c	June 2	May 10
Lake of W. Mill.	50c	June 2	May 15
Do., pref.	$1.75	June 2	May 15
Laura Secord	20c	June 1	May 15
Lake Shore Mines	▪35c	June 16	June 2
Loblaw Groc. Inc.	†20c	June 2	May 15
Macassa Mines	8c	June 16	May 31
MacKinnon St'l, p.	$1.25	June 16	May 31
Malartic Gold	♦5c	Aug. 1	July 2
McK. Red Lake	3c	June 16	June 2
McIntyre Porc.	55½c	June 2	May 1
Mod. Contain.	20c	July 2	June 20
Do., extra	10c	July 2	June 20
Do., pref.	$1.37½	July 2	June 20
Montreal Loan	31¼c	June 16	May 31
National Biscuit, p.	†$1.75	May 31	May 13
N. S. Lt. & Pr., p.	$1.50	June 2	May 15
Noranda Mines	$1	June 16	May 20
Ogilvie Flour, pfd.	$1.75	June 2	May 17
Pamour Porc.	6c	June 2	May 10
Pressed Metals	†25c	June 2	May 15
Preston E. Dome	50c	July 15	June 30
Do., extra	2½c	July 15	June 30
Provincial Bank	$1.50	June 2	May 15
Perron Gold	4c	June 21	June 2
Do., extra	1c	June 21	June 2
Pioneer Gold	10c	July 2	May 31
Quebec Power	25c	May 26	Apr. 28
Royal Bank	$2	June 2	Apr. 30
Regent Knit, pref.	†40c	June 1	May 15
Rolland Paper, p.	$1.50	June 2	May 15
Russell Ind.	20c	June 30	June 14
Do., pref.	$1.75	June 30	June 14
Reliance Grain, p	$1.62½	June 14	May 31
Royalite Oil	50c	June 2	May 16
Shawinigan W.	22c	May 26	Apr. 23
Sigma Mines	▪30c	July 15	June 30
Sylvanite Gold	7c	June 30	May 5
Surf Inlet Cons.	▪1c	May 30	May 15
Sherritt Gordon	▪5c	June 25	May 23
Sherwin-Wms. pfd.	$1.75	July 2	June 15
Do., arrears	$1.75	July 2	June 15
Siscoe Gold	2c	June 16	May 16
Stedman Bros.	15c	July 2	June 20
Do., pref.	75c	July 2	June 20
Stuart, D. A., Oil, p.	20c	June 2	May 15
St. Law. Corp. A p	▪25c	July 15	June 30
St. Law. Paper, p.	▪50c	July 15	June 30
Tuckett Tob., pf.	$1.75	July 15	June 30
United Fuel, pf.	75c	July 2	June 20
Un. Gold Eq. st. c.	6c	June 30	June 16
Union Gas	20c	June 14	May 20
Do., extra	20c	June 14	May 20
Upper Can. Mines	4c	May 31	May 15

DIVIDEND NOTICES

Siscoe Gold Mines Limited

NOTICE OF DIVIDEND No. 37

NOTICE is hereby given that a Dividend of Two Cents (2c) per share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable on June 16th, 1941, to shareholders of record at the close of business on the 16th day of May, 1941.

By Order of the Board.
H. E. GREEN,
Secretary-Treasurer.
Montreal, May 9th, 1941.

KERR-ADDISON GOLD MINES LIMITED
(No Personal Liability)

INTERIM DIVIDEND No. 6

Notice is hereby given that an interim dividend of seven cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on June 28th, 1941, to shareholders of record at the close of business on June 10th, 1941.

By Order of the Board.
G. A. CAVIN,
Secretary-Treasurer.
Toronto, Ontario,
May 17th, 1941.

DIVIDEND NOTICE

The Cariboo Gold Quartz Mining Company Limited
(Non-Personal Liability)

DIVIDEND NO. 23

NOTICE IS HEREBY GIVEN that a quarterly dividend of four cents (4c) per share, together with an extra dividend of two cents (2c) per share, on the paid up capital stock of the Company, will be paid July 2, 1941, to shareholders of record June 4, 1941.

The Books of the Company will be closed for the transfer of shares from June 5, 1941, to June 7, 1941, inclusive.

By Order of the Board.
J. R. V. DUNLOP,
Secretary-Treasurer.
Vancouver, B.C.,
May 19, 1941.

DIVIDEND NOTICE

Canada Malting Co., Limited

NOTICE is hereby given that a quarterly dividend of Fifty Cents (50c) per share has been declared on the no par value stock of the Company. The above dividend is payable June 14th, 1941, to Shareholders of record at the close of business on the 31st day of May, 1941. The books of the Company are to be closed from June 2nd, 1941, to June 13th, 1941, inclusive.

Share Warrant Holders will present Coupon Serial No. 54 to the Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG and CALGARY, on or after June 14th, 1941.

By order of the Board,
JOHN P. HEIGHTON,
Secretary.
Dated at Montreal,
May 14th, 1941.

United Amusement Corporation Limited

Common Dividend A 35 and B 29

Notice is hereby given that a dividend of Forty Cents ($0.40) per share has been declared on the outstanding Capital Stock of the Company, for the period ended 30th day of April, 1941, payable on the 31st day of May, 1941, to shareholders of record the 15th day of May, 1941.

By Order of the Board.
W. H. MANNARD,
Secretary-Treasurer.

McKenzie Red Lake Gold Mines Limited
(No Personal Liability)

DIVIDEND NO. 18

Notice is hereby given that a quarterly dividend amounting to three cents per share for the second quarter of 1941, has been declared payable June 16th, 1941, to shareholders of record at the close of business June 2nd, 1941.

By order of the Board.
H. M. ANDERSON,
Secretary-Treasurer.
Toronto, Ontario, May 13th, 1941.

Coniaurum Mines Limited
25 King Street West, Toronto

DIVIDEND No. 15

NOTICE IS HEREBY GIVEN that a dividend of 4 cents per share has been declared by the Directors of Coniaurum Mines Limited, payable in Canadian funds, on June 18th, 1941, to shareholders of record, June 4th, 1941.

By Order of the Board.
H. WHITTINGHAM,
Secretary-Treasurer.
May 14th, 1941.

Lake Shore Mines Limited
(No Personal Liability)

DIVIDEND No. 85

NOTICE is hereby given that a dividend of Thirty-Five Cents per share, on the issued capital stock of the Company, will be paid on the sixteenth day of June, 1941, to shareholders of record at the close of business on the second day of June, 1941. The payment of this dividend is subject to the approval of the Foreign Exchange Control Board.

By order of the Board.
KIRKLAND SECURITIES LIMITED
SECRETARY
Dated at Kirkland Lake, Ontario,
May 15th, 1941.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 51) of 1¾% upon the outstanding Preferred shares of the Company has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the Second day of July, 1941, to Shareholders of record at the close of business on the Fourteenth day of June, 1941.

NOTICE IS ALSO GIVEN that a Quarterly Dividend (No. 48) of 25 cents per share on the No Par Value Common Shares of the Company, issued and outstanding, has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the Thirtieth day of June, 1941, to Shareholders of record at the close of business on the Fourteenth day of June, 1941.

By Order of the Board,
I. N. WILSON,
Treasurer.
Calgary, Alta.
May 15th, 1941.

Dividends Declared (Cont'd)

United Amuse., A, B	40c	May 31	May 15
Ventures	10c	June 25	June 10
Vulcan Br. Pete.	2c	May 30	May 23
Waite Amulet	10c	June 16	May 20
Walker-Good.	$1	June 16	May 23
Do., pref.	25c	June 16	May 23
Wilsil	25c	July 1	June 14
Wr.-Hargreaves	10c	July 2	May 21
Do., extra	5c	July 2	May 21

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.
♦Initial.
‡40c also payable Sept. 1 and Dec. 1.

Repatriation Moves Brought Good Prices, No Dislocation

From Our Own Correspondent

OTTAWA.—Repatriation of Canadian securities held by the British Treasury has been proceeding smoothly. Practically all of the bonds and stocks set out in the list published by The Financial Post last October have been liquidated.

Total of repatriation from start of the war to the end of last March was $337.1 millions, Finance Minister Ilsley reported recently. This absorbed over 42% of Britain's deficit in balance of payments in Canada during the period.

While no figures have ever been released to indicate the exact amount of securities called by the British Treasury last fall, the total is generally understood to have been well over $200 millions. The principal item was an issue of some $100 millions of the Canadian National taken over by the Canadian Government.

The balance of the list was represented by a number of Canadian corporation bonds and stocks. They ranged over a wide field—B. C. Power Corp., Bell Telephone Co. of Canada, Hollinger Gold Mines, Canada Northern Power, Shawinigan Water & Power Co., etc.

Got Good Price

The Bank of Canada has acted as agent for the British Treasury in the sale of these securities, the proceeds from which have been used to finance British purchases in this country. They have been distributed through regular investment channels.

The liquidation operation to date has been notable for two reasons. In the first place the bonds and stocks have been sold at a price which is said to be highly satisfactory to the British Treasury. Secondly, the liquidation has been accomplished without depressing the Canadian financial markets.

The policy throughout has been to move slowly and cautiously. There has been no dumping of securities, the securities being fed out as market conditions warranted.

NOTICE

THE CORPORATION OF THE DISTRICT OF BURNABY
Province of British Columbia

"DISTRICT OF BURNABY DEBT REFUNDING ACT, 1940"

NOTICE is hereby given to the owners or holders of outstanding debentures of the District of Burnaby to surrender the same and all the relevant matured and unpaid and all the unmatured coupons on the Thirtieth (30th) day of June, 1941, to the Corporation at the office of the Royal Bank of Canada at New Westminster, British Columbia, in exchange for a refunding debenture or refunding debentures Series "A" equal in total principal amount to the total principal amount of the outstanding debenture or debentures surrendered for exchange.

THIS NOTICE is given pursuant to the "District of Burnaby Debt Refunding Act, 1940."

DATED at Burnaby, B.C., this 23rd day of May, A.D. 1941.

R. BOLTON,
Treasurer.

Canadian Westinghouse Company, Limited

DIVIDEND NOTICE

Notice is hereby given that at a meeting of the Board of Directors of this Company, held May 14th, 1941, a dividend of fifty cents (50c) per share was declared upon the outstanding Capital Stock of the Company, payable July 1st, 1941, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government, to Shareholders of record June 16th, 1941.

Cheques will be mailed to Shareholders.

By order of the Board,
W. E. SPRAGUE,
Secretary.
Hamilton, Canada, May 20th, 1941.

Hard Rock Gold Mines, Limited
(No Personal Liability)

DIVIDEND NO. 4.
(Interim)

NOTICE IS HEREBY GIVEN that an interim Dividend of Five per cent (i.e. 5c per share) on the outstanding Capital Stock of the Company has been declared payable June 21st, 1941, to Shareholders of record at the close of business May 31st, 1941.

BY ORDER OF THE BOARD.
W. S. WALTON,
Secretary.
May 16th, 1941.

Beattie Gold Mines (Quebec) Limited
(No Personal Liability)
25 King Street West, Toronto

Dividend No. 14

NOTICE IS HEREBY GIVEN that a dividend of 4 cents per share has been declared by the Directors of Beattie Gold Mines (Quebec) Limited, payable in Canadian funds on June 18th, 1941, to shareholders of record June 2nd, 1941.

By Order of the Board.
H. WHITTINGHAM,
Secretary-Treasurer.
May 14th, 1941.

Macassa Mines, LIMITED
(No Personal Liability)

DIVIDEND NO. 24

Notice is hereby given that a dividend of eight cents (8c) per share has been declared on the capital stock of the company for the quarter ending June 30th next, and will be payable on June 16th to shareholders of record May 31st, 1941.

By Order of the Board,
L. SOLIAGUE,
Secretary.
Toronto, May 19th, 1941.

Canadian Malartic Gold Mines Limited
25 King Street West, Toronto.

DIVIDEND NO. 13

NOTICE IS HEREBY GIVEN that a dividend of 2 cents per share has been declared by the Directors of Canadian Malartic Gold Mines Limited, payable in Canadian funds on June 18th, 1941, to shareholders of record June 4th, 1941.

By Order of the Board.
H. WHITTINGHAM,
Secretary-Treasurer.
May 15th, 1941.

NOTICE OF DIVIDEND

Famous Players Canadian Corporation
Limited

NOTICE is hereby given that a quarterly dividend of Twenty-Five Cents (25c) per share has been declared on all issued common shares of the Company without nominal or par value, payable on Friday, the 27th day of June, 1941, to shareholders of record Thursday, the 12th day of June, 1941.

By order of the Board,
N. G. BARROW,
Secretary.
Dated at Toronto this 14th day of May, 1941.

MacKinnon Steel Corporation Limited

Dividend Notice

NOTICE is hereby given that a dividend of One and One-quarter per cent (1¼%) has been declared on the 7% Cumulative Sinking Fund Redeemable Preferred Stock of MacKinnon Steel Corporation Limited, payable June 16th, 1941, to Shareholders of record May 31st, 1941.

This is a payment on account of arrears of preferred dividend.

By Order of the Board of Directors,
J. G. SCORER,
Secretary.
Montreal, May 16th, 1941.

Flour Exports Gain Sharply

Large increases in both flour and wheat exports are reported by the Dominion Bureau of Statistics for April over the corresponding month a year ago. Flour jumped from approximately 520,000 bbls. to almost 850,000, wheat from five million bushels to over 20 million. Prices of both commodities were easier.

Details of export for last month and the year to date are as follows:

WHEAT FLOUR EXPORTS

	Quanity Barrels	Value $	Average Price $
April			
1938	184,703	1,050,034	5.68
1939	275,275	825,277	2.99
1940	519,870	2,167,097	4.16
1941	849,816	3,046,657	3.58
Four months ended April			
1938	1,054,702	6,079,433	5.76
1939	1,306,331	3,994,640	3.05
1940	2,520,103	9,779,345	4.88
1941	2,370,530	8,301,936	3.50

WHEAT EXPORTS

	Quanity Bushels	Value $	Average Price $
April			
1938	1,617,703	2,052,224	1.26
1939	2,831,612	1,646,190	0.58
1940	5,081,736	4,771,315	0.93
1941	20,322,400	17,393,126	0.85
Four months ended April			
1938	15,137,942	19,116,855	1.26
1939	23,021,185	13,811,440	0.59
1940	30,665,855	27,937,962	0.91
1941	46,284,793	39,017,774	0.84

Hide Quotations Rise Sharply

Heavy demand from tanners for hides has sent prices up about 1½ cents a pound. Shoe factories are busy in both Canada and the United States and are absorbing large quantities of leather. Demand for hides is expected to continue heavy.

Imported products were also firm. War risk insurance rates have been increased on shipments coming from the Southern Pacific, it is understood. Advances in farm products reflect the United States Government's intention to boost markets by increasing the loans which may be obtained on wheat, cotton, corn and rice.

All indices of commodity markets are higher.

	Latest week	Previous week	Same week last yr.
Cattle	$9.25	$9.25	$8.25
Hogs	12.15	12.00	11.00
Copper, lb.	.12	.12	.11½
Cotton, lb.	.1333	.1263	.0966
Rubber, lb.	.2475	.2475	.2225
Silk, lb.	2.91	2.90	2.86½
Sugar, raw, lb.	.0338	.0340	.0280
Wheat, Man. (bu.)	.75	.75⅞	.72⅝
Coffee, lb.	.07½	.07⅛	.05¼
Hides	.16	.15	.12
Weekly Indices			
Canada (D.B.S.)	86.9	86.7	82.8
Do., Wood, Gundy	71.8	71.0	66.3
U. S. Labor	84.0	83.2	78.4
Dow Jones (future)	68.98	68.11	51.58
Fishers'	91.7	90.7	84.0
Monthly Indices			
Canada (D.B.S.):			
Retail (Mar.)*	108.6	108.2	104.6
W'sale (Mar.)	85.9	85.2	83.2
U. S. (Feb.)	80.6	80.8	78.7
Gt. Brit. (Dec.)	148.2	146.9	102.8

Note:—The base of indices is that 1926 equals 100. *Base 1935-39=100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Week in Wheat

Record Flow of Wheat Continues From West

Heavy Exports to Britain Opens Additional Space at Terminal Elevators for Farm Deliveries — Lake Movement Active

From Our Own Correspondent

WINNIPEG.—The physical movement of Canadian wheat is continuing at a record pace. Deliveries from farms have been received at country elevators at the rate of more than a million bushels daily. Wheat has been moving out of terminal elevators at Port Arthur and Fort William at ten million bushels weekly. Transatlantic shipments last week were more than 8 million bushels.

Canadian mills are absorbing a great deal of wheat, not only for domestic flour requirements but to fill large orders recently booked for Great Britain.

Doubtless some of the heavy transatlantic movement must be attributed to recent losses at sea, although accumulation of supplies in Great Britain is another important factor. The need of taking advantage of ocean space now, before ships are more completely required for handling increased flow of American war supplies, also doubtless is being considered.

Rush Lake Shipment

Exporters have been booking all available space for shipment down the lakes. This is not only to take advantage of new eastern terminal elevator space but also to move grain while lake vessels are obtainable. Some of the Canadian fleet is likely to be transferred to the carrying of iron ore from Duluth and Superior to lower lake American ports, with the relaxation of United States shipping laws to permit Canadian vessels to engage in such traffic. There is prospect, too, of losing some of the lake fleet to ocean service, to take the place of ships lost by enemy action.

• • •

New Rush From Farm

As soon as the rush of seeding is over farmers are likely to increase their rate of deliveries. More space for their accommodation can shortly be made available, as grain is transferred from country elevators to fill the gaps created in lakehead terminals by shipments down the lakes.

Before long, also, the railways will be able to allow increased shipments from country elevators, in anticipation of increased terminal accommodation at the head of the lakes, when the new 50 million bushels additional storage there becomes available. June and July, indeed, will see very heavy deliveries by farmers, who will be determined to dispose of all old crop wheat before the new 1941 crop quotas become effective.

Government Policy

For a short time after the outbreak of war there was some relation between the wheat markets at Chicago and Winnipeg. But no trace of such influence is to be found now, with Chicago prices on a basis which is equivalent, when quality and exchange differentials are considered, to 30 cents a bushel more than Winnipeg. This is mainly due to expectation of market effects from the Washington loan plan, which in essence is a guarantee of a minimum price basis well in advance of last year's level.

For the present wheat prices in the United States are largely the result of government policy as is also the case in Canada. In both countries final results are likely to be similar, in that large quantities of wheat will be left in the hands of the governments of the respective countries, with no one having any very clear idea of what is to happen to such stocks.

Keeping wheat prices high in the United States may indirectly influence the prices of feed grains, and that may exercise some influence in Canadian markets.

Not yet have western agricultural interests advanced the argument that the action of the United States Government in bringing about an increase of wheat prices to present levels is a precedent that should guide Canadian action. If the United States were participating completely in the war there would probably be a claim that there should be some closer approximation to equality in conditions prevailing in that country and in Canada.

Company Reports

United Towns

United Towns Electric Co. reports earnings from operations of $216,067 in 1940, compared with $197,141 in the preceding year. After income from investments total income amounted to $216,688 in 1940, against $197,296.

Net profit was $9,513 in 1940, compared with $5,568 the previous year.

Net working capital decreased from $70,444 to $47,438.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross earnings	216,688	197,296
Less: Oper. exp. & tax	93,142	83,299
Bond interest	54,825	51,187
Depreciation	59,208	57,242
Net profit	9,513	5,568
Add: Prev. surplus	6,352	5,784
Less: Def. assets w/o	8,040	5,000
Surplus forward	7,825	6,352
Working Capital		
	$	$
Current assets	119,364	114,243
Current liabilities	71,926	43,799
Working capital	47,438	70,444

Invest. Foundation

Investment Foundation Ltd. reports revenue of $140,489 in the year ended March 31, 1941, compared with $137,395 the previous year. Net profit was $122,331 in the past year, against $119,986 in 1939-40, equal to $4.19 and $4.10 on the 6% preferred stock of $50 par value. Earnings of 50 cents and 46 cents were shown on the common.

The company reports capital profit on securities sold of $1,087, and losses of $33,667, reducing investment reserve from $149,294 to $116,714. In addition to the 6% preferred dividend, 50 cents was paid to reduce arrears.

Income and Surplus Account
Years Ended Mar. 31

	1941 $	1940 $
Revenue	140,489	137,395
Less: Expenses	15,905	15,641
Income taxes	2,253	1,768
Net profit	122,331	119,986
Less: Pref. divds.	102,387	154,093
Surplus for year	19,944	*34,107
Add: Prev. surplus	7,992	45,492
Less: Prior inc. tax	......	3,393
Surplus forward	27,936	7,992

Levy Brothers

Higher earnings are reported by Levy Brothers Co., Hamilton, wholesale and manufacturing jewellers for the year ended Jan. 31, 1941. Operating profits rose some $15,000 and investment income increased approximately $3,600. Higher taxes absorbed this gain, leaving net profit of $5.14 per preferred share against $6.06 the year before.

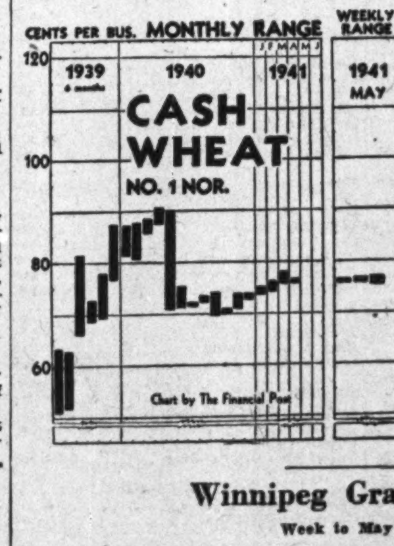
Income and Surplus Account
Years Ended Jan. 31

	1941 $	1940 $
Gross profit	230,095	192,635
Less: Sales & admin.*	160,028	148,020
Interest, disc. etc.	21,579	10,973
Oper. profit	48,488	33,642
Add: Invest. income	8,278	4,693
Net income	56,766	38,335
Less: Income taxes	31,074	8,018
Net profit	25,692	30,317
Less: Pfd. divds.	11,301	......
Common divds.	7,500	......
Surplus for year	6,891	30,317
Add: Prev. surplus	87,949	35,539
Life ins. proceeds	......	25,343
Less: Tsf. to conting.	......	3,250
Surplus forward	94,840	87,949
*Incl. depreciation	2,994	2,818
Earned per Share:		
Preferred	$5.14	$6.06
Paid	2.00	....
Common	0.31	0.41
Paid	0.15	....
Working Capital		
	$	$
Current assets	661,261	593,353
Current liabilities	107,767	46,387
Working capital	553,494	546,966

Associated Breweries Names New Officers

Emil G. Sick, president of Associated Breweries of Canada Ltd., announces the appointment of J. G. Walford as managing director. Mr. Walford, a director, was formerly general manager. R. J. Chiswick, manager of the subsidiary Lethbridge Breweries Ltd., has been named general manager of the parent company.

Wheat Prices



Cash Quotations

	For Week May 19 High	For Week May 19 Low	Prev. Week High	Prev. Week Low
Wheat				
1 Hard	.76⅛	.75	.76	.75⅞
1 Nor.	.76⅛	.75	.76	.75⅞
2 Nor.	.73⅝	.73⅜	.73½	.73⅜
3 Nor.	.71½	.71¼	.71⅜	.71¼
4 Nor.	.69¾	.68⅞	.69	.68⅞
5 Wheat	.72	.68⅞	.69	.67¼
6 Wheat	.71	.67⅞	.68	.66⅞
Feed	.65⅝	.65⅜	.65⅛	.63⅞
Oats:				
2 C. W.	.37¾	.36⅞	.37⅜	.37
3 C. W.	.37	.34⅛	.36¼	.34½
Barley:				
1 Feed	.48⅜	.46⅜	.48⅛	.46⅛
2 Feed	.46⅜	.44⅜	.46⅛	.44½
Flax:				
1 C. W.	1.55	1.49	1.60¼	1.55½
2 C. W.	1.51	1.45	1.56¼	1.51½
Rye:				
2 C. W.	.66⅝	.64⅜	.64⅛	.60¼

Winnipeg Grain Futures

Week to May 19. 1941

Crop year from Aug. 1, 1940 High	Low		Open May 13	High for week	Low for week	Close May 19	Close year ago
		Wheat					
.79¾	.65⅝	May	.75⅝	.76⅛	.75⅝	.76	.72⅝
.81⅞	.77½	July	.77½	.77½	.77⅛	.77⅛	.73⅛
		Oats					
.38¾	.25⅝	May	.36¾	.38	.36¾	.36⅞	.34⅜
.37⅛	.29½	July	.35¾	.37⅛	.35⅝	.36⅛	.32⅝
.34	.30¾	Oct.	.33	.34	.33	.33¾	.31⅛
		Barley					
.53⅝	.33⅝	May	.50⅝	.51¾	.49¾	.49⅞	.39½
.49⅝	.39⅞	July	.48¾	.49⅝	.48⅛	.48¼	.39⅞
.46⅛	.41⅞	Oct.	.44⅛	.46⅛	.44⅜	.45⅛	.39⅝
		Flax					
1.93¾	1.16	May	1.54	1.56	1.49	1.51	1.58
1.92⅝	1.29½	July	1.56	1.58¼	1.50	1.52⅜	1.60
1.79¾	1.44¾	Oct.	1.51⅞	1.52½	1.47⅛	1.49⅛	1.63
		Rye					
.66⅝	.44¼	May	.63¾	.66⅝	.63¾	.65⅛	.49¾
.64⅛	.47⅞	July	.62⅛	.64⅛	.60½	.61	.50⅛
.61⅝	.50⅛	Oct.	.60⅝	.61⅝	.58⅝	.58⅝	.50⅛

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

FEDERAL GRAIN LIMITED
OPERATING TERMINAL ELEVATORS • FORT WILLIAM • PORT ARTHUR • VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

GRAIN MERCHANTS
RECEIVERS • SHIPPERS • EXPORTERS
Owning and Operating Terminal, Transfer and Country Elevators
Capacity 12,500,000 Bushels
MEMBERS
Winnipeg Grain Exchange
Chicago Board of Trade
New York Produce Exchange
and other Exchanges
Head Office, WINNIPEG • Private wires connecting offices across Canada

JAMES RICHARDSON & SONS
EST. 1857 LIMITED

Sanitary Engineer's War Service Programme

In wartime a semi-technical paper such as Sanitary Engineer is even more essential than in peacetime.

Blanketing the entire Dominion, Sanitary Engineer furnishes an invaluable stream of important news on new developments in equipment, new methods, new uses for materials and tools, new ways to save time, and on scores of other technical and business problems which face plumbing and heating engineers from day to day.

Under wartime conditions, hundreds of journeymen plumbers and fitters are diverted to work in camps and military construction. At the same time, unusual situations are created in connection with housing large numbers of workers in widely separated places. Skilled labor is scarce and many partially trained men are forced to take on new responsibilities.

Sanitary Engineer maintains close contact with Government departments concerned with housing. A special "Small Homes" edition of the paper was recently issued to present latest information on modern compact plumbing and heating for workers' homes. F. W. Nicolls, National Director of Housing, wrote the leading article for this edition and urged fullest co-operation of the plumbing and heating industry to meet the emergency conditions.

In the mammoth programme of wartime plant construction and expansion, proper plumbing and heating facilities must be provided.

Both quantity and quality of wartime plant production are linked closely to the health and comfort of workers, not only at work but at home. The health of troops in camps and military centres is also vitally important.

The guardianship of healthful conditions so far as plumbing, heating and air-conditioning are concerned is the responsibility of Sanitary Engineer's readers. This newspaper deals with all problems encountered in the work. It provides an exclusively comprehensive fund of information and guidance so necessary for operators handling these important projects at top speed.

The MacLean Publishing Company LIMITED

Toronto, Montreal, Winnipeg, New York, Chicago, London, Eng.

28 PUBLICATIONS

GEARED TO "ALL OUT" WAR EFFORT

Goderich Elevator

Second best traffic in its history is reported by Goederich Elevator & Transit Co. for its year ended Mar. 31, 1941. Two thirds of the 18.5 million bushels handled went for export at elevator charges one half the rate of domestic grain. Gross revenues accordingly do not reflect the gain in volume, although 23% higher than in the previous year.

In addition to Dominion orders for increased insurance coverage, the company has made extra insurance provisions and taken precautions against sabotage, or other damage.

As a result of the early opening of navigation, the company has already handled 4 million bushels of grain. Eastern flour mills are grinding to capacity, ensuring a fair distribution of domestic grain through the company elevators, according to G. L. Parsons, president. While wheat acreage has been restricted, prospects are stated as being quite encouraging for the season.

Income and Surplus Account
Years Ended March 31

	1941 $	1940 $
Elevator charges, etc.	284,055	233,455
Add: Other income	4,280	396
Total income	288,335	233,851
Less: Oper. expense	70,967	52,129
Admin. exp.	28,271	23,184
Financial exp.	1,456	1,530
Operating profit	187,641	157,008
Less: Depr. & amort.	28,486	28,212
Income taxes	94,000	25,992
Net profit	65,155	102,804
Less: Dividends	54,604	42,003
Surplus for year	10,551	60,801
Add: Prev. surplus	93,612	32,811
Less: Prior yr. taxes	10,735	......
Surplus forward	93,428	93,612
Earned per Share:		
Common	$0.78	$1.22
Paid	0.65	0.50
Working Capital		
Current assets	245,151	150,657
Current liabilities	99,160	28,378
Working capital	145,991	122,279

O'Keefe's
is better for you
O'KEEFE'S BEVERAGES LIMITED

Week in Mining

Tight Nickel Situation Becomes Still Tighter

Drastic Curtailment of Nickel Supplies For Civilian Uses Announced By E. R. Stettinius, Jr., Director of Priorities in U. S. A.

Mandatory industry-wide control over all supplies of nickel was placed in effect in the United States this week, following announcement of a drastic curtailment of nickel supplies for civilian use by E. R. Stettinius Jr., director of priorities in the United States. Under the present plan—which extends that previously in effect—no schedule of preference ratings is included, because of the current shortage of nickel. Some allocations for peacetime uses are still expected on a restricted basis, however.

Shortage of nickel for all purposes in 1941 is now estimated at 45 million pounds. It is not long since productive capacity was considered ample for all possible demands. During May alone 15 million pounds of nickel will be made available in the United States, the largest amount ever made available in a single month. May demand for all purposes, however, is estimated at 21 million pounds.

Lake Shore Dividend

The excess profits tax may have been a contributing cause to the cut in the Lake Shore dividend from 50 to 35 cents a quarter, but it appears that the lower production rate was the chief cause.

Unless something impressive had been done in the way of trimming costs, it appeared inevitable that profits must be dropping along with the lower production. With the present F.E.C.B. regulations dividends can only be paid out of net profits, so the reduction in the dividend is a natural corollary of lower profits. If production takes a turn higher, of course, dividends can be restored just as readily as they have been reduced. From the extent of the decline in the price of the company's shares on the dividend cut, the public appears none too optimistic over a restoration of the old rate, however.

* * *

Budget Burden

What the new budget means in the way of additional taxes for the individual mine is well shown by results of Noranda Mines for the first quarter of this year. At the annual meeting, earnings for the first quarter were reported at $1.12 a share, exactly the same figure as for the previous year.

With the new budget to be considered, however, net profit for the first quarter is cut to $2,334,373 or $1.04 a share or just 4 cents a share over the dividend requirement. Other companies have found dividends endangered by the stiffer taxation.

* * *

Record B. C. Output

Final figures are now available on British Columbia's mineral output for 1940. Production for the year set a new record at $75,352,730, $9.7 millions higher than 1939 and more than a million greater than the previous record of 1937, according to Hon. W. J. Asselstine, British Columbia Minister of Mines.

Gold accounted for nearly a third of the 1940 total. Altogether 574,366 oz. of lode gold were produced worth $22,113,091 with an additional 39,067 ounces of placer gold valued at $1,236,928. Production of mercury is shown by the province for the first time. Copper output is valued at the low fixed London price and the total would be still further increased if the New York 1940 price had been taken.

* * *

Tax Hits Prospector

Prospectors in Manitoba are objecting to the 10% tax on railway and airplane fares. While it is most unlikely that the tax will prevent representatives of the larger companies from being sent out, it adds to prospecting costs. In the case of one party of seven men due to leave shortly the initial additional expense is rather more than $100 and will be considerably more than double that before the season is over.

Representations have been made by some individual prospectors to the Hon. T. A. Crerar but no relief has been indicated. He pointed out that the tax did not apply to distances under 50 miles, but it is pointed out that such a provision has no bearing on the prospectors' case as the distance is invariably very much greater.

* * *

North Opening

Most northern lakes are now open and several parties of prospectors have set out or are about to go. Oliver Johnston is in charge of a party for John Drybrough prospecting at Knee Lake. They went by rail to Ilford on the Hudson Bay railway line and were flown in from that point to Knee Lake.

Redsucker lake is still inaccessible but will probably be open in a few days. There is unusual interest in this particular section because of promising tin ore finds shortly before the break-up. Several parties will look the adjoining territory over closely.

Another party of seven men intends to fly into Island Lake within the week. A gold find staked some years ago is to be the subject of further exploration work while some intensive prospecting will be done on near-by lakes.

A small party is also in the field for Wright-Hargreaves, concentrating attention in the Central Manitoba area.

Island Mountain Adds New Claims

Myrtle Group Surrounded by Cariboo Gold Quartz on Three Sides

From Our Own Correspondent

VANCOUVER.—Island Mountain Mines, operating in the Cariboo district, has augmented its holdings by purchase of the Myrtle group of claims from Newmont Mining Corp., its parent company, and a portion of the adjoining Shamrock group from the Shamrock Gold Mines for $90,000 cash.

The Myrtle group consists of nine patented claims and fractions totalling 272 acres, the acquisition from Shamrock of nine claims and fractions totalling 318 acres. These purchases, together with a previously located claim of 21.8 acres, make a block of approximately 612 acres.

Covers 4,500 Ft. Rainbow Strike

The Myrtle group was optioned by Newmont in 1932 before formation of the Island Mountain Mines. It adjoins the main workings of Cariboo Gold Quartz Mining Co. on the southeast and is surrounded by that company's property on three sides. The group covers about 4,500 ft. strike length of the Rainbow member of the Richfield formation, in which practically all the ore mined so far in the two producing lode properties of the Cariboo district has been found.

Recent developments in the main crosscut of the Cariboo Gold Quartz property have been of considerable interest in their relationship to the Myrtle area. Commercial ore has been reported in a vein of northeast strike and also in the "B.C." shear zone on this level a short distance from the western boundary of the Myrtle group.

To Tunnel on Shamrock

The property purchased from the Shamrock Gold Mines includes the Shamrock tunnel, which has been extended for about 1,800 ft. from a site on the road between Barkerville and Wells.

It is proposed to erect a development plant at the portal of this tunnel, enlarge the present tunnel to permit adequate ventilation and haulage, and then drive approximately 2,300 ft. to cut the Rainbow member about 850 ft. below the surface. Additional diamond drilling will also be necessary.

No new financing is contemplated in connection with the programme, according to President F. W. Guernsey.

The company has issued a statement giving comparative production statistics for the first quarters of 1941 and 1940. In the first quarter of 1941, 13,823 tons were milled, recovering 6,183 ounces gold valued at $238,165, with operating profits amounting to $116,195. In 1940's first quarter 11,366 tons were milled with a gold recovery of 5,173 ounces valued at $199,000, operating profit before depreciation, depletion and taxes, $85,295.

Up Kerr-Addison Dividend Rate

A dividend of 7 cents a share has been declared by Kerr-Addison Gold Mines payable June 28, 1941, to shareholders of record June 10. Previously this year distributions of 5 cents a share had been made on Feb. 28 and April 28.

As the latest two payments have been made at intervals of two months each, financial circles now consider it likely that dividends will continue to be paid at two month intervals. This basis would represent an annual rate of 42 cents a share per annum.

Charge Apathy To Placer Possibilities

From Our Own Correspondent

VANCOUVER. — British Columbia mining interests charge that official apathy still prevails toward proposals for encouraging the entry into Canada of dragline dredge operators from California.

While larger type draglines are not subject to duty and arrangements have already been completed for moving several units into British Columbia, where they will dig for gold in the Fraser and Similkameen Rivers, smaller equipment is subject to a heavy duty which California operators regard as excessive.

Suggest Output Increase

The B. C. Chamber of Mines takes the position that if all the dragline operators who wanted to move into B. C. were encouraged to come, production of gold could be increased by approximately $10 millions a year.

The Federal Government insists that each individual case be dealt with on its merits and declines to establish a general policy. Before moving their equipment into British Columbia the American dragline men contend that they should have a chance to test the ground, but they are unwilling to go to that expense when they have no guarantee that the tariff barrier is to be reduced on their dragline dredges.

Week in Oils

From Our Own Correspondent

CALGARY. — The McColl-Frontenac Oil Co., following the example of two other major companies which are already in the field, is going to conduct an extensive seismic survey in the central Alberta plains area this spring and summer, according to authoritative information received by The Financial Post.

Just where the McColl-Frontenac party will concentrate its activities has not been specified, beyond the statement that the seismic work will be done in central eastern Alberta. It is expected the survey party will get into the field in the near future.

Imperial Oil already has a survey party in the field, working in the Brooks-Tilley area, southwest and south of the Princess-Steveville oilfield. Standard Oil of B.C., which made the "discovery" of oil in the Princess field a few months ago, is continuing an active development programme in this field and, according to an official announcement a few days ago, is also going to do further "wildcatting" in the prospective oil area to the south.

* * *

Rainy Hills "Wildcat"

Swinging 12 miles to the south and east of its Princess "discovery" wells, Standard of B.C. is completing arrangements for a new wildcat test in the Rainy Hills area, on the southerly part of the company's extensive holdings on the central plains.

The new well is to go down in Section 23-18-11w4th. Application for drilling permit and arrangements for surface rights are now being made. The new venture is located on a "structural high" revealed by seismic surveys. The well will be drilled with the light Diesel-powered rotary used at the newly completed Princess No. 5 well.

* * *

Helps Central Plains

The announcement of the new venture is welcome news to the many who think highly of the prospects of the central plains area. It shows clearly that Standard of B.C., despite expensive failures, despite difficult cementing and production problems at the two Princess field wells, is prepared to continue the energetic programme on the central plains that it has already pushed for three years or more.

News of the McColl-Frontenac and Standard programmes partly makes up this week for news of two unsuccessful completions in the Princess field. Standard's Princess No. 5 well is to be abandoned due to failure to obtain commercial showings of oil in the Madison line section from which the Princess No. 2 well produces. No. 5 was drilled to 3,301 feet, 86 ft. in the Madison. The second failure is Anglo-Steveville No. 3, abandoned at 4,000 ft. after finding the Madison lime dry and the top of the Devonian lime wet with sulphur water.

Meanwhile, the crew at Standard's Princess No. 4 well has been drilling out cement, preparatory to testing the Madison lime. The hole is bottomed 83 ft. in the lime at 3,300 ft., with casing cemented to 3,240 ft. Fair showings of oil were found in the lime.

* * *

To Encourage Wildcatting

Where any well has made a discovery of oil that proves a previously unproved area, provided the well was drilled on a crown lease, the Alberta Government may rebate to the person incurring the expenditure for drilling, from the share of production payable to the province, an amount not to exceed 50% of the crown royalty, until the amount of the expenditure has been recovered.

This important proposal for "remission of royalties on discovery wells" is contained in a preliminary draft of revised oil lease regulations, submitted by the Alberta Government last weekend to oil operators. The proposed new regulations are now being discussed by government representatives and spokesmen for the operators and, with any further amendments that may be adopted following the conferences, will be made law later in the month.

* * *

May Graduate Royalty

Also being discussed at the conference is a suggestion from the Mines Minister, N. E. Tanner, that the crown royalty, now 10% on all wells on crown leases, be in future based on a sliding scale. Under the proposal the royalty would range from as little as 5% on wells producing 50 bbls. per day, to as high as 15% on wells producing 225 bbls. per day or more. Such a sliding scale, while increasing the royalty load on larger producers, would increase the economic life of wells by easing the royalty load when production declines.

Meeting with both strong criticism and favor at the conference is a proposal by the Mines Minister designed to enforce drilling on crown leases. Under the proposed regulations, the lessee would be required to move equipment onto his lease within one year of the establishment of the new regulations, or the date of the lease whichever is the later, and commence actual drilling within a further three months. Leases would be for a term of 21 years, the rental $1 per acre per year.

* * *

Extensions Possible

If, however, the drilling requirements are not met, and the reasons for failure to do so are reasonable, extensions may be obtained. In such cases, the rental for the second year of the lease would be upped to $2 per acre, and would be increased one dollar per acre per year for each subsequent year that extensions are obtained.

The object of these proposed regulations would be to force development of the large number of "dead" leases now held by companies and individuals, and to prevent speculation in oil leases. Hit hard would be many a small individual or company who has been holding leases for years without developing them, in the hope of ultimately selling out at substantial profits. Gaining by them would be the companies and individuals who are prepared to undertake development.

Attributes Wright Decline To War and Dividends

Generally unfavorable factors affecting gold mining during war and the changeover of Wright-Hargreaves Mines dividends to Canadian funds are mentioned by Edwin Lang Miller, president, as possible explanations for marked weakness in shares so far this year.

This explanation was given The Financial Post this week when the management's attention was drawn to the marked desire of shareholders for further information on the present situation. It was pointed out that in recent weeks, liquidation of a large block of stock held in an estate and deterioration of the mine position had been mentioned as possible causes of market weakness. Mr. Lang, however, mentions no developments on either of these scores to account for the $2 drop in quotations. Quoting Mr. Lang:

"I feel some concern exists in the minds of the public as to whether established dividend-paying companies generally can continue their distributions to shareholders as heretofore, in face of already excessive high costs due to war conditions, plus pending increased tax assessments indicated in the recent budget announced, and naturally this attitude is reflected in the market action of the various securities.

Dividend Down 10%

"In the case of Wright-Hargreaves specifically, there is no doubt that the change in dividend policy of paying April dividend in Canadian funds, representing a decrease of over 10% in return to shareholders, has asserted itself in the market price of our stock.

"On the whole we feel fortunate indeed to have been able to maintain such satisfactory progress, when yardsticks and precedent are being entirely destroyed in these depressed times."

As Mr. Lang makes no mention of any development at the mine to account for the drop in the price of the company's shares by almost $2 a share since the first of the year, it is possible an undue stress on this point has played an unwarranted part in recent selling. Earnings in the fiscal year ended Aug. 31, 1940, were equal to 77 cents a share against 74 cents in each of the two preceding years, it is noted.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

A. E. OSLER & COMPANY

Established 1886 Members The Toronto Stock Exchange

Osler Bldg., 11 Jordan St. Phone ADelaide 2431

A Clearing House of Information

FOR CANADIAN INDUSTRY

● For more than fifty years, Canadian Pacific has been servicing Canadian industry. In that time, we have accumulated a vast store of information bearing on every phase of industrial activity—raw materials . . . skilled and unskilled labour . . . marketing . . . distribution . . . taxation . . . power . . . transportation . . . and branch plant location. The problem which is bothering you now may have been solved by some other industry . . . in some other place. If so, the chances are we have all the facts in our files. This information, and our facilities for first hand study and research, are available to you—gladly and without charge. Your inquiry is invited.

FINDING MEN, MATERIALS and LOCATIONS for Canada's expanding war industries is a field in which we can be of great assistance to any manufacturer.

Canadian Pacific

DEPARTMENT OF INDUSTRIAL DEVELOPMENT

MONTREAL ● TORONTO ● WINNIPEG ● VANCOUVER

"DEDICATED TO CANADA'S PROGRESS"

● Steel Structures, Railway and Highway Bridges, Plate and Tank Work, Electric and Hand Power Cranes, Hydraulic Regulating Gates and Operating Machinery, Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Forgings, Boilers—Heating and Power Types, Coal Pulverizing Equipment, Mining Equipment, Williams Buckets.

DOMINION BRIDGE COMPANY LIMITED

HEAD OFFICE ... LACHINE (MONTREAL) QUE.

• AMHERST • MONTREAL • OTTAWA • TORONTO • WINNIPEG • REGINA • CALGARY • EDMONTON • VANCOUVER

"OJIBWAY" Ornamental Gates have Strength, Dignity, Beauty

Solid iron pickets, ⅝ inches square, with rails of 2 inch x ⅝ inch channel iron, these gates, to match "OJIBWAY" ornamental iron fencing, have a dignity and a beauty that in no way detract from their solid strength and serviceability.

They are particularly appropriate for entrances to estates and institutions, as shown in the above illustration.

Estimates gladly furnished on all types of "OJIBWAY" fencing and gates without obligation.

"OJIBWAY" Gates, Fences, Wire Products are 100 per cent. CANADIAN.

Write for FREE Booklet.

CANADIAN STEEL CORPORATION LIMITED

Executive and Sales Offices: Box 157, Walkerville, Ont. Mills: Ojibway, Ont. Toronto Office: Room 903, 217 Bay St.

Mining Concentrates

Buffalo Canadian Gold Mines has paid an additional $2,500 into the treasury of Avalard Gold Mines under its financing agreement. Diamond drilling at the Avalard property, located in eastern Kirkland Lake adjoining Beaverhouse Lake, was scheduled to commence late last week.

* * *

Canadian Malartic Gold Mines has declared a dividend of 2 cents a share payable June 18, 1941, to shareholders of record June 4.

* * *

D.B.S. Index of 25 mining stocks for the week ended May 15 was 71.9 compared with 71.9 the previous week and 77.8 in the corresponding period of 1940.

* * *

Gillies Lake - Porcupine Gold Mines work being carried out by Hollinger Consolidated Gold Mines was confined to diamond drilling in April. A drill hole started in March was continued, indicating some quartz but no values. Drilling is being continued.

* * *

Hard Rock Gold Mines has declared a dividend of 5 cents a share, payable June 21, 1941, to shareholders of record May 31.

* * *

Island Mountain Mines Co. net operating profit for first quarter is reported at $116,715 compared with $83,295 the same period of 1940. Production was $238,165 against [illegible].

* * *

[illegible]son Mines had an operating [illegible] of $64,820 for the three [illegible] ended Mar. 31, 1941. Production amounted to $181,560 from milling 11,917 tons of ore, an average of $15.24 a ton. An aggregate of [illegible] ft. of lateral work disclosed 657 ft. of lineal ore of usual mine grade and width. The work established presence of an ore shoot north of the previous main ore area of No. 1 shaft and opened 172 ft. of ore on the 6th level of No. 2 shaft to a vertical depth of 800 ft. Three new transformers have been installed, overcoming lack of power. Present transformer equipment will act as standby until needed. As at Mar. 31, 1941, liquid assets amounted to $191,357 against current liabilities of $54,532, leaving working capital of $136,825. Mortgage has been completely discharged.

* * *

Lake Shore Mines has declared a dividend of 35 cents a share Canadian funds payable June 16 to shareholders of record June 2, subject to approval of the Foreign Exchange Control Board. Previously payments had been made at the rate of 50 cents a share a quarter since first disbursement at this rate on March 15, 1940, a reduction from 75 cents a quarter before that.

Leitch Gold Mines earned 2.3 cents a share the first quarter of 1941 against 2.9 cents a share the same period of 1940. Production was nearly $1,000 higher at $217,733—recovered from 7,305 tons of ore—but an increase in taxes from $11,500 to $25,500 caused net profit to decline from $82,448 to $64,958 for the quarter. High grade ore has been encountered in drifting on new lower levels.

* * *

McKenzie Red Lake Gold Mines has declared its regular quarterly dividend of 3 cents a share payable June 16, 1941, to shareholders of record June 2, 1941.

* * *

Malartic Gold Fields has declared an initial dividend of 5 cents a share payable Aug. 1, 1941, to shareholders of record July 2. Drifting west at the first level was carried 175 ft. in April to 1,230 ft. from the shaft, almost reaching the area of promising drill intersections secured in surface drilling. Development of the "F" ore has been completed on the first three levels with work proceeding on the fourth. Good ore structures have been opened on the "B" and "G" structures on the first and second levels. Work is now under way on the lower levels. A crosscut through the "A" ore body on the fourth level averaged 0.28 oz. gold across 37.5 ft. Shaft sinking reached 1,170 ft. in April with ore at the bottom. Production in April was $137,731 from 18,312 tons of ore against $151,267 from 19,542 tons for March.

* * *

Naybob Gold Mines estimated production for April amounted to $50,696 from milling 5,003 tons of ore for an average recovery of $10.11 a ton. Output for the first eight months of the fiscal year which ends Aug. 31 amounted to $386,352 from milling 37,531 tons of ore for an average of $10.29 a ton. This compares with $324,348 from 32,952 tons of ore and average recovery of $9.84 in the corresponding period the previous year.

* * *

Perron Gold Mines intersected No. 34 vein at the 1,500-ft. level with 1.7 ft. of core averaging 0.54 oz. per ton. New vein sections of 5.6 ft. averaging 0.15 oz., 33 ft. of 0.14 oz. grade and 5.6 ft. of 0.7 oz. gold were also secured. Drifting in 1012 vein on the 1,025-ft. level opened up 2 ft. of ore 2 ft. wide averaging 0.4 oz. gold. On the same level 100 ft. of ore was opened up in the 1218 vein running 0.2 oz. over 3 ft. At the 1,500-ft. level a stringer zone 40 ft. by 40 ft. was found in 1531 vein averaging 0.18 oz. grade. Production in April was $161,162 from 12,120 tons of ore compared with $164,668 from 12,152 tons the preceding month.

Mining Enquiries

Inspiration Mining

My broker tells me that shares of Inspiration Mining & Development Co. have interesting possibilities in view of market value of securities held and current earnings. What information can you give me on these points?

Inspiration Mining and Development Co. has a substantial investment portfolio besides its extensive diamond drilling business. At the end of 1940, working capital amounted to $1,233,492 taking securities at market value. With 2 million shares issued, this was equal to 61 cents a share on each issued share.

Earnings in 1940 were equal to 5.4 cents a share after all charges. An initial dividend of 2 cents a share has been declared payable May 30, 1941. Over half the company's revenue now comes from securities.

New Augarita

Where is the property of New Augarita Porcupine located? Is any work being carried on and, if so, how are operations being financed?

New Augarita Porcupine Mines holds a property of 15 claims in Tisdale twp., Porcupine area, adjoining Preston East Dome Mines on the east. Surface work and diamond drilling were carried out some time ago by the company and last year a crosscut was started from the 1,050-ft. level of the Preston workings to test the company's property at depth. New Augarita is paying for this work with Preston granted a three-year option on 300,000 New Augarita shares. Details on the company's financing have not been revealed. Authorized capital of the company is 3 million shares of which 2 million were outstanding at the end of 1940.

Diamond drilling carried out from surface gave one or two good drill holes but no definite ore body was established by this work. It was considered that exploration from underground would be the best way to find out the property's true possibilities. Results from exploration should be available shortly.

International Nickel

Would you say that the investment possibilities of International Nickel have improved since the outbreak of war? Do you expect Canadians will have to sell their shares in the United States at a later date?

While the rapid step-up in production by International Nickel Co. of Canada would mean higher profits in normal times, this has not been the case during war. Earnings in the first quarter of this year were equal to only 60 cents a share compared with 64 cents in the corresponding period of 1940 and 62 cents in the first quarter of 1939. Higher taxes were the cause of the drop in profits.

In spite of the slightly lower earnings, however, the dividend rate of $2 a share in U.S. funds is still being covered by a fair margin of profit. Ore reserves are very substantial and there is no reason for believing that the company's mines will not be able to supply all the ore required for many years to come.

Some discussion has arisen as to whether the company's shares might have to be liquidated in the United States if American securities held by Canadians are repatriated. While the official attitude on this problem is not definitely established, it is thought likely that International Nickel will be regarded as a Canadian industry and that shares will not be liquidated on the United States market even though a market exists for them there.

Mining Company Reports

Uchi Gold Mines

While developments at Uchi Gold Mines have been disappointing, the strength of the ore structure in the Uchi area and the fact that values have been found along a length of several miles combine to form a basis for believing commercial ore bodies will yet be developed, states J. E. Hammell, president, in the 1940 report.

On recommendation of company engineers, crushing capacity for 2,000 tons and hoisting equipment for 3,000 ft. were installed. As a consequence $350,000 is now owing to J. E. Hammell, interest and principal of which are to be deferred until repayment of $1 million in bonds if a maturity extension sought is granted.

A loss of $43,744 was experienced in 1940 against $18,296 in 1939 although 1940 operating profits amounted to $348,632. Ore reserves at the end of 1940 totalled 198,224 tons of $4.80 grade at $35 gold. It is hoped that ore from the Grassett, Hanalada and Jalda properties will help make a commercial operation.

Income and Deficit Account
Years Ended Dec. 31

	1940 $	*1939 $
Bullion production	1,299,788	686,942
Less: Marketing	16,409	9,164
Net production	1,283,379	677,778
Less: Development	105,507	32,624
Mining	502,809	275,774
Milling	232,806	120,750
Gen. mine expense	75,780	44,290
Exec. off. expense	17,845	13,351
Operat. profit	348,632	190,989
Add: Sundry account	689	144
	349,321	191,133
Less: Depreciation	152,495	75,885
W/o roads	2,989	1,744
W/o power contracts	4,500	2,625
W/o bond discount	38,764	22,612
Bond interest	60,000	35,000
Loan interest	24,000	13,475
Development w/o	110,317	57,788
Prov. inc. tax	......	300
Net loss	43,744	18,296
Add: Prev. deficit	18,296	......
Deficit forward	62,040	18,296
*May 10 to Dec. 31, 1939.		
No. of Shs. Outstand.	4,033,344	2,500,006
Bonds Outstanding	$1,000,000	$1,000,000

Working Capital

	1940	1939
Current assets	300,036	305,863
Current liabilities	194,797	579,726
Working capital	105,239	*273,863

*Excess of current liabilities over current assets.

Moneta Porcupine

Search of Moneta Porcupine Mines for new ore bodies in the year ended Mar. 31, 1941, was not successful, President W. E. Segsworth states in the annual report but every effort is being made in furthering the exploration programme. An endeavor is also being made to find another property.

With earnings of 19.4 cents a share—one cent less than in the previous year—and just 12 cents a share paid in dividends, working capital was increased approximately $280,000 to $1,113,672, highest in company history.

Ore reserves Mar. 31, 1941 were 83,258 tons of $18.73 grade against 135,229 tons of $19.46 grade a year before. A total of 64,281 tons of ore was milled during the year.

Income and Surplus Account
Years Ended March 31

	1941 $	1940 $
Bullion production	1,129,133	1,100,306
Less: Marketing	13,312	13,813
Net production	1,115,821	1,086,493
Less: Development	106,033	87,020
Mining	200,049	189,081
Milling	106,085	108,133
Admin.	29,506	30,106
Outside exploration	9,250	9,900
Operat. profit	664,898	662,253
Add: Misc. income	34,894	24,261
Total net income	699,792	686,514
Less: Depreciation	65,543	63,906
Development w/o	48,211	47,728
Res. for conting.	......	15,000
Prov. for taxes	92,003	40,446
Net profit	494,035	519,434
Less: Dividends	305,263	305,263
Surplus for year	188,772	214,171
Add: Prev. surplus	586,318	372,147
Less: Addit. devel. w/o	51,308	......
Surplus forward	723,782	586,318
Earnings per Share and Dividend Record:		
Earned	$0.194	$0.204
Paid	0.12	0.12
No. of Shs. Outstand.	2,543,860	2,543,860

Working Capital

	1941	1940
Current assets	1,319,785	996,105
Current liabilities	206,113	165,039
Working capital	1,113,672	831,066

Hasaga Gold

"It would appear large capital expenditures are finished for some time to come and the loan of $379,777 made by me to the company to carry on exploration and bring it into production will be repaid during 1941," states J. E. Hammell, president of Hasaga Gold Mines in the annual report.

Production of $637,445 was obtained from milling 66,811 tons of ore in 1940. Operating profit was $219,318 and after all charges net profit was $57,530, or 2 cents a share.

Ore reserves Jan. 1, 1941, were estimated at 343,858 tons grading $5.97 a ton, including probable ore of 106,400 tons. A new shaft is planned from the 850-ft. level for exploration down to 1,450 ft. depth.

Income and Surplus Account
Years Ended Dec. 31, 1940

	$
Bullion production	637,445
Less: Marketing	8,216
Net production	629,229
Less: Development	122,812
Mining	139,741
Ore transportation	18,482
Milling	88,921
Gen. mine expenses	34,160
Exec. off exps.	8,795
Operat. profit	219,318
Add: Other income	246
Total net income	219,564
Less: Depreciation	41,458
Development w/o	88,077
Incorp. expense w/o	1,821
Interest on loan	18,957
Taxes	11,721
Net profit	57,530
Add: Prev. surplus	40,620
Less: Starratt devel. w/o	51,385
Surplus forward	46,765
Earnings per Share and Dividend Record:	
Earned	$0.02
None paid.	
No. of Shs. Outstanding	2,875,006

Working Capital

Current assets	243,461
Current liabilities	418,334
Excess of curr. liabs. over curr. assets	174,873

Powell Rouyn

With operations contracted the first half of the year during construction of the company's own 350-ton mill, Powell Rouyn Gold Mines had a profit of only $18,751 or 1.5 cents a share the year ended Mar. 31, 1941, against $356,930 or 28 cents a share the year before. Monthly operating profits showed a gradual increase the last half of the year, however, with $32,789 earned in March compared with $12,155 in October.

Of 243,089 tons of ore treated during the year, 154,842 tons went to the Noranda smelter where siliceous ore continues to be sent. Ore position is stated to have been maintained last year, reserves of broken and positive ore amounting to 759,704 tons of 0.126 oz. grade with an average width of 11.3 ft. The mill is treating an average of 450 tons daily. Work from the new south Powell shaft has shown low-grade siliceous ore.

Income and Surplus Account
Years Ended Mar. 31

	1941 $	1940 $
Gross production	972,274	1,330,518
Less: Milling & mktg.	227,781	341,753
Mining	462,466	370,557
Devel. & explor.	66,361	92,295
Mine manag.	18,553	21,141
Mine off. expense	9,969	5,649
Workers' compen.	13,682	9,066
Surface expense	12,296	14,556
H.O. expense	24,572	28,803
Operat. profit	136,594	446,697
Add: Misc. revenue	3,966	1,701
Total net income	140,560	448,398
Less: Depreciation	88,209	52,214
Development w/o	25,474	25,473
Interest	2,612	10
Taxes	5,000	12,083
Loss on assets	514	1,688
Net profit	18,751	356,930
Less: Dividends	......	187,500
Surplus for year	18,751	169,430
Add: Prev. surplus	442,409	272,979
Less: Tax adjust.	7,374	......
Surplus forward	453,786	442,409
Earnings per Share and Dividend Record:		
Earned	$0.015	$0.28
Paid	nil	0.15
No. of Shs. Outstand.	1,250,000	1,250,000

Working Capital

	1941	1940
Current assets	218,327	449,443
Current liabilities	213,987	124,824
Working capital	4,340	324,619

Hard Rock

With average recovery stepped up from $8.16 to $10.01 a ton, Hard Rock Gold Mines increased net profit to $324,553 or 10.9 a share in the year ended Feb. 28, 1941, against $233,818 or 7.8 cents a share the previous period.

Ore reserves remained practically unchanged during the year, amounting to 641,000 tons above the 475-ft. horizon grading $8.28 a ton or alternately 462,000 tons of $11.30 grade. Besides this north zone ore, 75,000 tons of free milling ore remains in the remainder of the mine. A year before north zone ore was 640,000 tons of $8.75 grade or 500,000 tons of $11.30 grade, all above the 475-ft. level.

The north No. 30 ore zone has been opened for 280 ft. on the 625-ft. level and will be opened on the 775-ft. level where a narrow quartz vein has been opened for 500 ft. A 100-ton unit for free milling ores is being installed.

Income and Surplus Account
Years Ended Last of February

	1941 $	1940 $
Bullion production	1,201,225	905,115
Marketing expense	14,027	12,176
Net production	1,187,198	892,939
Less: Development	95,740	27,996
Mining	275,044	298,719
Milling	175,745	181,081
Gen. & adm. exp.	68,376	50,302
H.O. expense	20,228	13,062
Add: Cost of conc.	......	65,000
Net operat. earns.	552,065	386,779
Add: Interest received	1,718	2,735
Total net earnings	553,783	389,514
Less: Depreciation	103,448	82,787
Development w/o	59,971	55,430
Taxes	65,811	17,479
Net profit	324,553	233,818
Less: Dividends	299,007	119,603
Surplus for year	25,546	114,215
Add: Prev. surplus	206,711	92,496
Less: Tax adjust.	5,116	......
Surplus forward	227,141	206,711
Earnings per Share and Dividend Record:		
Earned	$0.109	$0.078
Paid	0.10	0.04
No. of Shs. Outstand.	2,990,074	2,990,074

Working Capital

	1941	1940
Current assets	496,717	350,789
Current liabilities	148,682	72,170
Working capital	348,035	278,619

Eleven New Mines to Get Going in 12-Month

Despite war and dormant markets, Canadian mining enterprise still marches on. But private investor gets little of the credit. Nearly every case spawned by other mining enterprise.

By GORDON M. GRANT
Staff Writer, The Financial Post

New mines—and good ones—are still emerging despite war and dormant stock markets. The crop may not be so big and the mines may not always be so large as in former years, but important additions to the ranks of the producers are on the way.

Gold mines still hold the spotlight. All the Axis propaganda has not been able to dim gold's lure. But non-metallics and base metals are coming in for attention too. War metals are of vital importance now, and new producers of the future will probably show an increased "war metal" tinge.

Altogether 11 mines will likely start production in less than a year, many of them in only a few months. Eight of the mines are gold propositions; barite, kaolin, silica, lead and zinc will be recovered by the three remaining.

While the tempo of new mine making is slower than in previous years, work is actively proceeding on another score of properties that appear to have better-than-average possibilities. That has been one thing about the war. The number of properties developed has dropped sharply but so has the proportion of failures. The situation of 1936 when finances could be secured for practically any kind of a mining proposition is no longer the case.

To be financed now, a mining property really has to prove possibilities. There are too many idle properties with some possibilities to bother with the dodos—if anybody could be found to put up the money for this type of work.

Little Public Financing

Surprisingly, the general public is responsible for the financing of only a very minor part of the coming new producers. It is mining companies that are bringing most of the new properties to production. No new mining field has emerged to excite popular fancy; new mines are often the result of a careful survey of possibilities previously known to exist. Work done years ago is not lost effort if a further study of assay plans shows untested possibilities worthy of investigation.

Jerome Gold Mines

Because there has been no direct public issue of stock, erection of a big 500-ton mill at Jerome Gold Mines, in the Sudbury district, has gone relatively unnoticed. Yet this is one of the biggest initial mill installations in Canada in recent years. Everything has been done by both Hollinger and Mining Corp—the chief financial sponsors—to ensure success and hydro-electric power is expected to give low costs along with the substantial width of the ore, which means low mining costs.

Following the sinking of a shaft to 525 ft. with levels at 200, 350 and 500 ft., lateral development and flat diamond drilling have indicated over 600,000 tons of ore grading $7.27 cut grade before allowance for dilution. Prior to underground work, sampling the surface showing gave a length of 735 ft. running around $6 a ton across an average width of 18 ft.

All the company's 3 million shares have been issued with financing of the company to production being arranged through loans. Steps have been taken to have the mine in good shape when production starts later this year. Deepening of the shaft from 500 to 800 ft. completed at the end of March will allow development at still greater depth.

Thompson-Lundmark

This August, Yellowknife is expected to get a new high grade producer in Thompson-Lundmark Gold Mines. A 100-150 ton mill is nearing completion and a relatively high grade of mill feed is expected to result in substantial output. Hydro-electric power will undoubtedly be a great factor in achieving success. Thompson-Lundmark will be the first mine in Yellowknife to commence production with hydro-electric power instead of high-cost Diesel generated power.

While work at Thompson-Lundmark Gold Mines has shown a number of high grade gold veins, any one of which could prove of major importance on further exploration, work is being concentrated on the Fraser vein. Before working on the Fraser vein, a shaft was put down on the Kim vein and a tonnage of ore was disclosed there.

In the middle of 1940, about 50,000 tons of ore had been disclosed at the two shafts which would average well over a half-ounce gold per ton cut grade. In spite of high costs in Yellowknife, officials expect a good margin of profit will be realized to allow liquidation of indebtedness and eventual payment of dividends. Financing has been undertaken by Consolidated Smelters and Ventures Ltd. which will lend up to $600,000. Presumably most if not all of the 3.5 million shares authorized capital has been issued.

Century Mining

Production with a 200-ton mill is planned this year at the Golden West mine of Century Mining Corp., located at Elbow Lake, Flin Flon area, Manitoba. Recent finances have been provided by sale of collateral trust certificates. Authorized amount of these is $250,000. Late in 1940, $100,000 of certificates was offered at par with a bonus of 100,000 shares of common stock. Authorized capital of Century is 3 million shares of which 2,158,625 were issued last December.

Following sinking of a shaft to 288 ft., lateral work has been carried out on levels established at 125 and 250 ft. depth. Ore reserves disclosed were estimated late in 1940 at 100,500 tons of reasonably assured ore averaging 0.319 oz. gold per ton. Besides this there was estimated to be 95,000 tons of ore indicated by diamond drilling grading 0.265 to 0.312 oz. gold per ton.

Gold Frontier

Gold Frontier Mines is an example of a good prospect of other days—Frontier Red Lake Gold Mines—which has responded to further testing.

With a shaft already down and levels established at 125 and 230 ft., it has not taken much further work to show a fair quantity of high grade ore available. Last April a decision was reached to erect a 125-ton cyanide mill with production expected to start in August if no unexpected delays are encountered.

Finances for work have been provided by the taking up of shares under option. Options up to Sept. 2, 1941, have been converted into a firm commitment to provide $100,000 for construction and dates on the long term options have been advanced to provide funds for development more quickly.

Drifting at the first level revealed two ore shoots, one of 150 ft. averaging $19.50 over 5 ft. and a second of 50 ft. running $38.50 over 12 ft. With development at the second level not so far advanced, 60 ft. of ore opened runs $41.58 over 7 ft. Raising carried out in preparation for mining has been confirming ore values.

The 11 New Mines — and names of mining companies which have undertaken financing

Jerome—Mining Corp.
Thompson-Lundmark — Con. Smelters & Ventures
Century Mining
Gold Frontier
Springer Sturgeon
Bonetal—Broulan
Canada China Clay — Noranda
Lake Geneva
Yama Gold
Buccaneer Mines
Musketeer Mines — Anglo-Huronian, Bralorne

Springer Sturgeon

Springer Sturgeon Gold Mines is not interested in production of gold as its name would imply, but of barite or barytes of which it will shortly be the first regular Canadian marketer. Diamond drilling of the company's property in Nova Scotia is stated to have indicated well over a million tons of ore with the proving up of still further supplies apparently only dependent on carrying out of further diamond drilling. In view of the large tonnage of ore already indicated, officials do not feel there is anything to be gained in spending further money on diamond drilling at this time.

Production with a 100-ton mill is just commencing with machinery turned over recently. The finished product is used in the oil fields in Trinidad where 28,000 to 30,000 tons are stated to be used annually. The finished product which Springer Sturgeon will produce brings about $25 a ton Canadian funds in Port of Spain. Venezuela is a large potential market for the product. The company has orders on hand for its output.

With the Springer Sturgeon deposit being operated, Canada has an excellent chance of becoming the most important single source of barite production in the world, although it must compete with established sources of supply. Financing of mill construction was arranged through sale of $100,000 of 6% three-year notes which mature in 1944.

Even after bonusing the note issue with common shares, the company only has issued 1,875,005 shares of an authorized capital of 3 million shares. A holding of 408,200 of Leitch Gold Mines provides an income of over $24,000 annually to help service the note issue. Market value of the Leitch holdings is practically twice the face value of the company's note issue.

Ore is good grade running about 95% barium sulphate and with a specific gravity above 4.4. With the deposit lending itself to open pit operations, no expensive shaft is necessary. Cost of production may run in the neighborhood of $10 a ton.

Bonetal Gold

Although Bonetal Gold Mines has not yet reached either of its two indicated ore zones in crosscuts now proceeding from its shaft, it is anticipated production may be reached within a matter of months. The large share of financing has been undertaken by Broulan Porcupine Mines where it is expected to mill ore secured in underground work. The Broulan mill can be expanded at relatively small expense. Milling at Broulan will give important bulk sampling information as well as revenue.

Diamond drilling has indicated two ore zones extending into Bonetal from the Hallnor property which adjoins to the east. The more northerly zone—and the one which will be reached from the shaft first—shows a length of 1,150 ft. with drilling indicating gold values in a wide, irregular zone of quartz stringers. A second zone to the south has indicated length of 560 ft.

When the crosscuts reach the ore zones, drifting will be carried out east and west with flat drill holes put out to outline the ore zones at each horizon. Besides the two zones mentioned, drilling has given indications of other zones.

If all options are exercised, approximately 2.9 million shares will be issued of an authorized capital of 3 million shares. Finances arranged are expected to be fully adequate for work planned.

Canada China Clay

Canada China Clay is a non-metallic proposition near St. Jerome, Quebec, for which Noranda Mines has put $250,000 "on the line" to provide production facilities. Noranda also has options on 50,000 shares of stock at $2.25 a share. If all options are exercised most of the capital of 350,000 shares will be issued.

Kaolin and silica will be the two products which Canada China Clay will turn out. The first is used in the manufacture of fine, coated papers and chinaware. Silica is essential in the manufacture of glass. Production of these two products is expected to aid Canada's war effort by reducing requirements of foreign exchange for import of these products.

In the previous operations, a shaft was put down to a depth of 300 ft. and lateral work carried out from this shaft disclosed a considerable deposit. It was not until war placed the stress on foreign exchange, however, that Noranda was induced to lend money for productive facilities.

Lake Geneva

As is the case with Gold Frontier and Canada China Clay, work carried out years ago is proving valuable in securing production from Lake Geneva Mining Co. in 1941. For years the company has been idle although its small mine in Hess twp., Sudbury district, Ont., is equipped with a 100-ton mill and all equipment necessary for production.

Low prices for lead and zinc—the two chief metals present—was the reason for not producing before the war. Fixed metal prices made production even less attractive in the early stages of the war. But with high prices now prevailing for both lead and zinc concentrates in the United States, production has again become attractive in spite of the long freight haul to the United States market. Steps have been taken to resume production recently. No major financing is necessary with Towagamac Exploration expected to provide any small amount of funds required.

Yama Gold

Installation of a 75-ton milling plant by Yama Gold Mines is looked on as a bulk sampling test milling operation but it is also expected by officials sufficient revenue will be secured to liquidate a $60,000 note issue and to provide funds for additional development.

Yama officials believe it will be possible to mill either a relatively small tonnage of high grade ore or a large tonnage of low grade ore, depending on which is the most feasible. The company consulting geologist stated: "The actual tonnage potentialities of the property in the area under development will vary between 150 tons per day of 0.4 oz. grade and 400 tons a day or slightly more of 0.2 oz. grade. If it should become expedient, a temporary operation can be carried on, milling 20 to 50 tons per day of close to an ounce grade."

Of 3.5 million shares authorized, 2,813,621 shares had been issued last December.

Buccaneer Mines

All major equipment for a 25-ton mill has been purchased by Buccaneer Mines for its property in the Bedwell River mining camp, Vancouver Island. Production is expected to start this July. Funds for production are being supplied by Bralorne Mines which has been responsible for development of the property.

Development of the Buccaneer property has disclosed narrow veins of high grade gold ore. Officials admit that the mine at best will be small. However, there is enough indicated ore to promise a return of cost of development and equipment.

Musketeer Mines

Shareholders of Musketeer Mines have authorized securing a loan of not more than $100,000 which the directors estimate will be sufficient to bring the property into production. Total expenditures on the property to the end of 1940 totalled $101,090. Anglo-Huronian and Bralorne have been associated in the financing.

Sufficient ore has been indicated above the low level tunnel to justify serious consideration of production plans, according to the company's managing director, H. T. James. Altogether 30,000 tons of 0.4 oz. grade have been indicated. Ore development in 1940 was confined to the 700-ft. level or lower level tunnel where four ore shoots were opened up. Possibilities of opening up additional ore are considered good.

Authorized capital is a million shares with all but 50,000 issued last November.

Mining Company Reports

Pickle Crow

Bullion production at $2,879,222 was only $25,000 lower than in 1939, but Pickle Crow Gold Mines earnings dropped to $1,284,587 or 43 cents a share in 1940 from 52 cents the previous year. Increased taxation was the chief cause but higher operating costs also contributed.

Exploration of the new north ore zone at the 750-ft. horizon shows one ore shoot 760 ft. in length averaging $10.85 a ton across 52 inches. This ore body has been intercepted by diamond drilling from surface and to a depth of 250 ft. below the 750-ft. level. Two other shoots of 100 and 55 ft. length have also been opened up.

Ore reserves in the main Howell vein grading $15.35 cut grade down to the 1,950-ft. level were estimated as sufficient for 3½ years operations at the end of 1940. The main shaft has been sunk to 2,550 ft. to allow opening up the Howell vein below 1,950 ft.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Bullion production	2,879,222	2,902,154
Less: Marketing	34,790	37,255
Net production	2,844,432	2,864,899
Less: Development	165,865	162,946
Mining	530,044	453,652
Milling	157,514	156,098
Gen. mine expense	86,820	71,637
Exec. off. expense	34,619	33,914
Operat. profit	1,869,570	1,986,652
Add: Sundry revenue	34,362	22,559
Total earnings	1,903,932	2,009,211
Less: Depreciation	162,282	130,970
Power contract exp.	3,417	9,000
Marine rly. w/o	5,000	5,000
Taxes	448,746	310,271
Net profit	1,284,587	1,553,970
Less: Dividends	1,200,000	1,200,000
Surplus for year	84,587	353,970
Add: Prev. surplus	1,255,782	901,812
Surplus forward	1,340,369	1,255,782
Earnings per Share and Dividend Record:		
Earned	$0.43	$0.52
Paid	0.40	0.40
No. of Shs. Outstand.	3,000,000	3,000,000
Working Capital		
Current assets	1,051,331	596,860
Current liabilities	530,567	392,791
Working capital	520,764	204,069

Kerr-Addison

New records were set up in practically every department by Kerr-Addison Gold Mines in 1940, the annual report reveals. Highlights are as follows:

A major increase in ore reserves now totalling 5,140,491 tons of $7.66 grade against 3,691,132 tons of a slightly lower grade a year previously.

Net profits more than doubled at $1,519,173 or 32 cents a share against 12.6 cents in 1939.

An increase in working capital to $560,855 at Mar. 31, 1941, from $137,875 at the end of 1939 in spite of expenditures for increasing mill capacity from 1,200 to 1,800 tons daily and dividends.

Profits of $491,975 before taxes in the three months ended Mar. 31, 1941.

Two directors, J. H. Colville, vice-president, and H. S. Munroe, resigned from the board of directors in March. Besides this, it is announced A. H. Cockeram and F. M. Connell are not standing for reelection at the annual meeting. Remaining directors are: George B. Webster, president, A. Dorfman and J. H. C. Waite. A board of directors comprised of J. Y. Murdoch, Oliver Hall, A. Dorfman, M. F. Fairlie, J. H. C. Waite, J. H. Rattray, and L. K. Fletcher will offer themselves for election at the annual meeting.

Of the 5,140,491 tons of ore in reserve at the end of 1940, 2,781,131 tons were above the 700-ft. level, the balance being between 700 and 1,450 ft. A large part of the development between 700 and 1,450 ft. is only partially completed. A large tonnage of ore has been "indicated" but not included in reserves. Sinking of No. 3 shaft 1,500 ft. farther for opening up of 10 new levels has been authorized.

Installation of a new ball mill expected to be completed in early summer will bring treatment rate to 2,000 tons daily.

Income and Suplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Total production	3,544,433	1,984,858
Less: Devel. & explor.	536,683	422,853
Min. & hoisting	451,489	340,653
Milling	227,320	222,403
Bullion marketing	40,111	25,185
Head off. expense	25,097	21,458
General expenses	96,429	41,298
Operat. profit	2,167,302	911,008
Add: Other revenue	5,888	5,823
Total net revenue	2,173,190	916,831
Less: Depreciation	264,722	172,248
Development w/o	134,494	111,649
Donations	5,108	......
Tax provision	249,693	35,220
Net profit	1,519,173	597,714
Less: Dividends	709,545	......
Surplus for year	809,628	597,714
Add: Previous surplus	814,179	218,071
Less: Loss on bonds	......	813
Loss on equip.	......	793
Surplus forward	1,623,807	814,179
Earnings per Share and Dividend Record:		
Earned	$0.32	$0.126
Paid	0.15	nil
No. of Shs. Outstand.	4,730,301	4,730,301
Working Capital		
Current assets	1,146,241	299,951
Current liabilities	530,087	162,075
Working capital	616,154	137,876

Operating Statement
Three Months Ended Mar. 31, 1941

	$
Bullion production	1,077,642
Less: Develop. & explor.	218,516
Mining	128,682
Milling	70,895
Other expenses	45,889
Operat. profit	613,660
Less: Depreciation	82,689
Development w/o	38,996
Profit before taxes	491,975

PROFESSIONAL DIRECTORY

CONSULTING ENGINEERS

THE GENERAL ENGINEERING COMPANY
(CANADA) LIMITED
ENGINEERING CONSTRUCTION
OPERATION OF INDUSTRIAL PLANTS
100 Adelaide St. West WA. 8605 Toronto

Shoemaker & Burnham
CONSULTING ENGINEERS
Specializing in Mill Design, Metallurgy, Power and Mining Plants.
Room 1201-1207
45 Richmond St. West,
Toronto, Ont.
Waverley 4466

FREE *Subscribers to The Post, by mail, are entitled to the privileges of the Investment Enquiry Service. Subscription price — $5 a year.*

LEGAL

W. M. COUPER, K.C.
Advocate, Barrister, Etc.
486 St. John St., Montreal
Tel. Marquette 3005

McLAUGHLIN, JOHNSTON, MOORHEAD & MACAULAY
Barristers, Solicitors, Notaries
302 BAY ST., TORONTO
Telephone: ELgin 4217
L. Macaulay, K.C., M.P.P.
H. J. McLaughlin, K.C.
W. W. McLaughlin, K.C.
D. C. Wells R. F. May
H. W. Alles R. H. Soward
L. B. Webster J. M. Magwood

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Pitblado, Hoskin, Turner, McEwen & Alsaker
Barristers, Solicitors, &c.
Winnipeg, Manitoba

CHARTERED ACCOUNTANTS

Ronald, Griggs & Co.
Chartered Accountants
WINNIPEG
SASKATOON

KEEPING POSTED
by reading The Post every week is *the secret of success for successful readers of The Post. Every week, by mail, $5 a year.*

McDonald, Currie & Co.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

RUTHERFORD WILLIAMSON & CO.
Chartered Accountants
Rutherford Williamson, F.C.A. Harold A. Shiach, F.C.A.
D. J. Sales, C.A. W. F. Gibson, C.A.
TORONTO — MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

MILLAR, MACDONALD & CO.
Chartered Accountants
WINNIPEG, MANITOBA

ROBERTSON, ROBINSON, McCANNELL & DICK
Chartered Accountants
D. H. McCANNELL — Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Winnipeg—Vancouver
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

Buy War Savings Certificates and War Savings Stamps

For seventy-five years this company has been preparing bonds for Canadian municipalities. It is better equipped than at any time in its history to serve municipal needs whether large or small.

BRITISH AMERICAN BANK NOTE COMPANY
LIMITED
The Old Canadian Company • Established 1866
511 Place d'Armes MONTREAL
HEAD OFFICE: OTTAWA 262 Wellington Street
1110 Montreal Trust Bldg. TORONTO
HOWARD W. PILLOW *President*
CHARLES G. COWAN *Vice-Pres. & Man. Dir.*
G. HAROLD BURLAND *Sec.-Treas.*

In this informal, continental-type snack room you can while away delightful hours, dancing or listening to the latest music which you can select for yourself! The gay Music Box is unique in Montreal — and like everything else in the Mount Royal Hotel, is in the best of taste.

COME TO THE

MONTREAL
DIRECTION VERNON G. CARDY

THE Windsor
ON DOMINION SQUARE

Swim in sun-warmed salt water ::: relax on the sand in sheltered Katy's Cove—golf on a championship 18 or a practice 9, tennis, deep-sea fishing, yachting.

At the Algonquin you'll enjoy every minute of your stay ... delicious meals and attractive accommodation ::: dancing or talkies in the Casino ... cool refreshing nights. No hay fever.

Opens June 28th. Rates as low as $6 per day, per person (double occupancy) including meals.

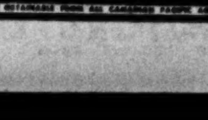
LOW RAIL FARES

For booklets, rates and reservations communicate with hotel manager or any Canadian Pacific agent.

Algonquin HOLIDAY COLONY
A Distinguished Canadian Pacific Summer Resort at St. Andrews-by-the-Sea, N.B.

When Visiting
TORONTO
Stay at the
King Edward Hotel
1000 Rooms with Bath
Rates as low as
$3.00 Per Person
F. KIRBY HUNT, Manager

HOWEVER YOU TRAVEL . . .
CARRY YOUR MONEY SAFELY



Canadian Pacific Express
TRAVELLERS CHEQUES

"Let's finish the Job"

CANADA!
Ypres, April 22-24, 1915

In this famous drawing from PUNCH, Sir Bernard Partridge commemorated for all time the heroic stand of Canada's First Division against poison gas and overwhelming odds. As our soldiers held the line then, so Canada must hold it now.

TO US - THE TORCH IS THROWN

A generation ago, from Flanders Fields, our soldier dead threw us their torch to hold it high, as they had held it from Second Ypres to Mons, from Somme to Passchendaele.

For four years they kept their rendezvous with death. They knew no peers but the living who served with them, and their spirit so animated the Canadian Corps that it became the spearhead of victory.

That same spirit animates our troops today.

We hold the torch. We cannot do less than pour out our dollars as they pour out their all — FOR FREEDOM.

GM GENERAL MOTORS

Buy VICTORY BONDS

GM-46

THIS ADVERTISEMENT IS PUBLISHED BY GENERAL MOTORS OF CANADA, LIMITED, ON BEHALF OF THE VICTORY LOAN, 1941